

GUIDANCE DOCUMENT

This guidance document is advisory in nature but is binding on an agency until amended by such agency. A guidance document does not include internal procedural documents that only affect the internal operations of the agency and does not impose additional requirements or penalties on regulated parties or include confidential information or rules and regulations made in accordance with the Administrative Procedure Act. If you believe that this guidance document imposes additional requirements or penalties on regulated parties, you may request a review of the document.

STATEMENT OF POLICY #4

BANK AND BANK BRANCH NAMING POLICY

The Nebraska Department of Banking and Finance ("Department") sets forth Statement of Policy #4 regarding the use and approval of the chartered name of a bank and the names of all bank offices used within the State of Nebraska and the laws prohibiting the use of confusingly similar names by bank offices in the same community or county. (See, Neb. Rev. Stat. § 8-157 and Neb. Rev. Stat. §§ 8-1901 to 8-1903).

The Department recognizes the potential for confusion on the part of depositors in a Nebraska bank regarding the level of Federal Deposit Insurance Corporation ("FDIC") insurance coverage of their deposits when one of the following occurs:

1. A bank establishes a branch facility, but identifies the branch with a name other than the chartered name of the bank.
2. A bank identifies its main office and/or branch offices with a name other than the chartered name of the bank.
3. A bank provides internet banking services using a URL, web address, logo, or web name other than the name of the chartered name of the bank.

This policy is in line with certain of the methods suggested in the Interagency Statement on Branch Names issued May 1, 1998, by the FDIC and other federal financial regulators. That Statement is attached.

A Nebraska state-chartered bank must disclose to individuals and representatives of legal entities who are applying to open an insured deposit account at a bank or a branch of a bank identified by a name other than the chartered name of the bank that, for purposes of FDIC deposit insurance coverage, any deposits of the applicant in the bank and any of its branches, regardless of the name or names by which the bank or its branches are identified, must be aggregated. Disclosures, when a bank or any of its branches are identified by a name other than the chartered name of the bank, must include:

1. A statement in brochures and other materials available to the public, and, if applicable, on the bank's web site, describing the deposit accounts offered by the bank or any of its branches that deposit account balances will be aggregated with an account holder's deposit balances with the insured bank and any other branches of the insured bank, regardless of the name or names used to identify the bank or its branches to the public for purposes of determining FDIC deposit insurance coverage for the account holder.

Following is a model statement acceptable to the Department for use in brochures and other material available to the public describing the deposit accounts offered by a bank or any of its branches:

For Federal Deposit Insurance Corporation (FDIC) purposes, a depositor's account balances in [the charter name of the bank] will be aggregated with any account balances of the depositor in the following offices, branches, or internet sites of [chartered name of the bank].

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The total account balances of a depositor with [chartered name of the bank] and its offices and branches will have the benefit of the deposit insurance coverage that the FDIC provides to a depositor's accounts in a single bank. To determine the level of FDIC deposit insurance coverage available on accounts in a single bank, please ask for the FDIC brochure "Your Insured Deposit" or visit www.fdic.gov and, in the "Deposit Insurance" section, click on "EDIE OnLine Calculator."

2. A signed statement from the individual or representative of a legal entity ("Applicant"), who is applying to open any type of account eligible for FDIC deposit insurance coverage, that Applicant understands:
 - (a) The bank at which Applicant intends to open the account has a chartered name other than the name used to identify the bank; or
 - (b) The branch at which Applicant is applying to open a deposit account is identified by a name other than the chartered name of the bank which operates the branch, and that the balance at any point in time of the deposit account which Applicant intends to open will be combined with deposit balances of Applicant with the bank and any of its other branches, regardless of the names of those other branches, for purposes of determining FDIC deposit insurance coverage for the Applicant. The statement will identify the chartered name of the bank and all offices of the bank which currently operate under a name other than the chartered name of the bank.

The chartered name of the bank shall be used for legal documents, certificates of deposit, signature cards, account statements, on bank checks and drafts, 1099 statements of interest earned, loan documents, and other similar documents which detail an account relationship with the bank.

If a bank changes the name of the bank's main office/charter location, or adds a branch office and identifies the branch with a name other than the chartered name of the bank, or changes the name of an existing branch office to a name other than the chartered name of the bank, the bank must, after receiving approval from the Department of the new name, and prior to opening the new branch or changing the name of the bank's main office/charter location or an existing branch, notify all depositors of the bank as to the addition or change. Communication may be made by first class mail or by use of a statement stuffer or email statements included with periodic account statements.

Existing signage, both inside and outside the home office of a bank or a branch facility, identifying offices with names other than the chartered name of the bank may be retained or redesigned at the option of the bank. The bank may, at its option, identify the chartered name of the bank on any branch signage.

A bank may use its trade name without reference to its chartered name when 1) answering the telephone, 2) on bank employees' voice mail messages, 3) business cards, and 4) in social media.

This Statement of Policy #4 is a revision of Statement of Policy #32 issued on November 1, 2008.

Attachment: [Interagency Statement on Branch Names, May 1, 1998.](#)

Original Issue Date: November 1, 2008

Revision Date: March 31, 2016

FIL-46-98
May 1, 1998**GUIDANCE ON THE USE OF TRADE NAMES**

TO: CHIEF EXECUTIVE OFFICER

SUBJECT: Interagency Statement on Branch Names

The Federal Deposit Insurance Corporation (FDIC), the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision have jointly issued the attached Interagency Statement on Branch Names. The Interagency Statement was developed to help prevent customer confusion when a bank or thrift operates its offices, branches or other outlets for delivering services under a trade name.

In recent years, several banks have used names that differ from their corporate names for branches or for the delivery of services over the Internet. Although there may be valid business reasons for this practice, the agencies are concerned that it has the potential for confusing depositors about their deposit insurance coverage. The Interagency Statement urges banks and thrifts that intend to use a different name for a branch or other outlet to take reasonable steps to ensure that customers will not incorrectly assume that the branch or outlet is a separate institution from the bank or thrift, or that deposits in the different facilities are separately insured. The Interagency Statement specifies the procedures that a financial institution should use to minimize customer confusion.

For more information about the Interagency Statement, please contact Marc J. Goldstrom, Counsel in the FDIC's Legal Division, at (202) 898-8807.



Nicholas J. Ketcha Jr.
Director

Attachment

Distribution: All Insured Banks and Savings Associations

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
FEDERAL DEPOSIT INSURANCE CORPORATION
OFFICE OF THE COMPTROLLER OF THE CURRENCY
OFFICE OF THRIFT SUPERVISION**

INTERAGENCY STATEMENT

BRANCH NAMES

May 1, 1998

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision (the "Agencies") are issuing this Interagency Statement regarding the practice of insured depository institutions operating branches under different trade names in response to requests for guidance to some of the Agencies. While there are no federal laws or regulations that specifically require that all branches of an insured depository institution operate under a single name,¹ the Agencies are concerned that if customers believe they are dealing with two different institutions, they may inadvertently exceed FDIC insurance limits by depositing excess amounts in different branches of the same institution. The Agencies believe it is important that customers understand the scope of FDIC insurance in these circumstances.² Accordingly, an insured depository institution that intends to use a different name for a branch or other facility should take reasonable steps to ensure that customers will not become confused and believe that its facilities are separate institutions or that deposits in the different facilities are separately insured.³ Such measures may include, but are not limited to:

¹ There may be state laws that need to be considered with respect to operating under a trade name. In addition, regulations applicable to insured institutions that may be promulgated by the Board of Governors of the Federal Reserve System or the Office of Thrift Supervision (as applicable) under the Federal Trade Commission Act, 15 U.S.C. § 57a(f) *et. seq.*, regarding the prevention of unfair or deceptive acts or practices, could apply to the use of branch names.

² Generally, each depositor at an insured depository institution is insured up to \$100,000. *See* 12 U.S.C. §§ 1813(m), 1817(i), and 1821(a). Insured deposit limits are determined in accordance with regulations prescribed by the FDIC at 12 C.F.R. Part 330.

³ The practice of insured depository institutions using different trade names over a computer network such as the Internet raises the same concern discussed herein. Accordingly,

- 1) Disclosing, clearly and conspicuously, in signs, advertising, and similar materials that the facility is a branch, division, or other unit of the insured institution. The institution should exercise care that the signs and advertising do not create a deceptive and/or misleading impression.
- 2) Using the legal name⁴ of the insured institution for legal documents, certificates of deposit, signature cards, loan agreements, account statements, checks, drafts, and other similar documents.
- 3) Educating the staff of the insured depository institution regarding the possibility of customer confusion with respect to deposit insurance. The Agencies recommend that the insured depository institution instruct staff at the branch and any other facilities operating under trade names to inquire of customers, prior to opening new accounts, whether they have deposits at the depository institution's other facilities or branches. In addition, during the time period soon after one institution acquires or combines with another, staff should be reminded to call customers' attention to disclosures that identify a particular branch or facility as part of an institution.
- 4) Obtaining from depositors opening new accounts at the branch a signed statement acknowledging that they are aware that the branch and other facilities are in fact parts of the same insured institution and that deposits held at each facility are not separately insured.

EFFECTIVE DATE: July 1, 1998

institutions intending to use different trade names over a computer network should take reasonable steps to ensure that customers will not be confused about either the identity of the insured depository institution or the extent of FDIC insurance coverage.

⁴ The legal name of an insured institution is its full name as reflected in its charter, except that an insured institution may abbreviate terms that are indicators of corporate status (e.g., N.A., F.S.B., Inc., Corp.).



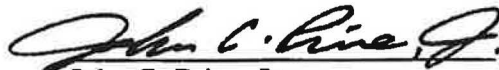
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