

August 27, 2024

BankTalk: New FDIC Logo Requirements

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FAST FACTS

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Agenda:

- What
- When
- Who
- **The Details**
- Cost

What

Rule to modernize use of the official FDIC signs and advertising statements, recognizing various physical layout and design, and the widespread use of digital banking channels.

- FDIC Official Sign
- New FDIC Official **Digital** Sign for bank websites, apps, and ATMs

FDIC *FDIC-Insured - Backed by the full faith and credit of the U.S. Government*

- Non-Deposit Signage

*Sign and advertising statement requirements for IDIs date back to the Banking Act of 1935. **This rule amends Part 328, Subpart A***

When

Amendments were effective April 1, 2024.
*Compliance is required by **January 1, 2025.***

The FDIC's long-standing sign rules do not reflect the digital banking services now offered, such as online banking and mobile banking. An IDI's ATM, website, or mobile application effectively serves as a digital teller window. **Combined, 65.4% of banked households in 2021 used mobile or online banking as their primary method of bank account access.** 89 FR 3505

Who

All FDIC-insured banks are subject to Subpart A's

- Use of the official FDIC sign,
- New FDIC official digital sign for bank websites, apps, and ATMs, and

FDIC *FDIC-Insured - Backed by the full faith and credit of the U.S. Government*

- Non-deposit signage

Today, there are about 4,654 FDIC IDI in the United States.

Call Reports as of June 30, 2023.

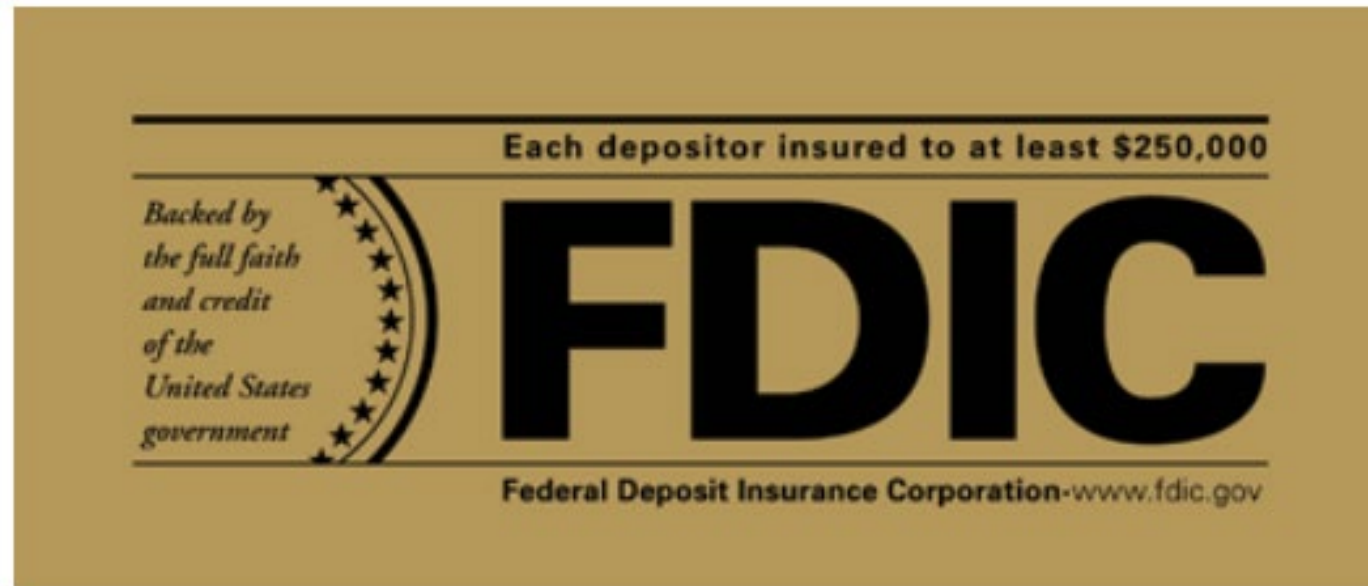
Definitions

- **Digital deposit-taking channel:** websites, banking applications, and any other electronic communications method through which an insured depository institution accepts deposits. *Hybrid product* means a product or service that has both deposit product features and non-deposit product features. A sweep account is an example of a hybrid product
- **Non-deposit product:** any product that is not a “deposit”, including, but not limited to: insurance products, annuities, mutual funds, securities and crypto-assets. For purposes of this definition, credit products and safe deposit boxes are not non-deposit products.

§328.1 Definitions

Official Physical Sign

The official sign referred to in this part shall be 7" by 3" in size, with black lettering and gold background, and has the following design



§328.2 Official sign

Official Digital Sign

Shall be displayed with a wordmark size of 37.36 × 15.74px, **in navy blue** (hexadecimal color code #003256), and the “FDIC-Insured - Backed by the full faith and credit of the U.S. Government” shall be displayed in regular 400 italic (12.8px) and with black (hexadecimal color code #000000) lettering. The entire FDIC official digital sign shall be displayed in Source Sans Pro Web. If the FDIC official digital sign in these colors would be illegible in a digital-taking channel, due to the color of the background, the entire FDIC official digital sign shall be displayed in white (hexadecimal color code #FFFFFF).

FDIC *FDIC-Insured - Backed by the full faith and credit of the U.S. Government*

§328.5 Signs for digital deposit-taking channels.

Clear, Conspicuous, & Continuous

- Considers proximity, placement, and prominence.
- Clear and conspicuous is difficult to miss, easily noticeable, and easily understandable by ordinary consumers.
- Continuous is just that. A rotating display of the official sign would not be continuous.

The rule notes that FTC guidance on effective disclosures provides helpful principles.

On Premise and No NDIP Offered

IDIs who receive deposits at teller windows or stations are generally required to display the official sign at each teller window or station. This not new, but there are new options*:

- *If NDIPs are not offered in branch, IDIs have new flexibility to:
 1. Place the official sign next to each teller window; OR
 2. Display official signs visible from teller windows that are large enough to be legible from anywhere in the deposit-taking area.
- *New flexibility to utilize electronic media (e.g., TV screen or tablet) to satisfy sign requirements on an IDI's premises, but it must be clear, continuous and conspicuous (a "rotating display" of the official sign would not be continuous).

§328.3 Signs within institution premises and offering of non-deposit products within institution premises.

NDIP Also Offered on Premise

- Must keep the current teller signs next to each teller window (no flexibility to replace each teller sign with fewer, or larger official signs).
- Where both insured deposits and NDIPs are offered, rule requires the use of a non-deposit sign indicating *non-deposit products are not insured by the FDIC, are not deposits, and may lose value.*
 - At each location within premises where NDIPs are offered
- Must segregate NDIP areas from areas where deposits are usually and normally accepted.

§328.3 Signs within institution premises and offering of non-deposit products within institution premises.

ATMs or other remote electronic facilities that receive deposits (w/ **No** NDIP access)

Comply by:

- Displaying the FDIC official digital sign on the home page or screen, and each transaction or screen relating to deposits.
- *For ATMs put into service before January 1, 2025, may display the physical official sign.*

§328.4 Signs for automated teller machines and like devices.

ATMs or other remote electronic facilities that receive deposits (& allow NDIP access)

Comply by:

- Displaying the FDIC official digital sign on the home page or screen, and each transaction or screen relating to deposits.
- Indicate, on each transaction page or screen relating to non-deposit products, that non-deposit products: are not insured by the FDIC; are not deposits; and may lose value.
 - *Such signage may not be displayed in close proximity to the FDIC official digital sign.*

§328.4 Signs for automated teller machines and like devices.

Digital Deposit-taking Channels

This section governs signage for digital deposit-taking channels, including IDIs' websites and web-based or mobile applications that offer the ability to make deposits electronically and provide access to deposits.

- Must display the FDIC official digital sign within digital deposit-taking channels on the following pages or screens:
 1. *Initial or homepage of the website or application;*
 2. *Landing or login pages; and*
 3. *Pages where the customer may transact with deposits.*

§328.5 Signs for digital deposit-taking channels.

Digital Deposit-taking Channels, cont.

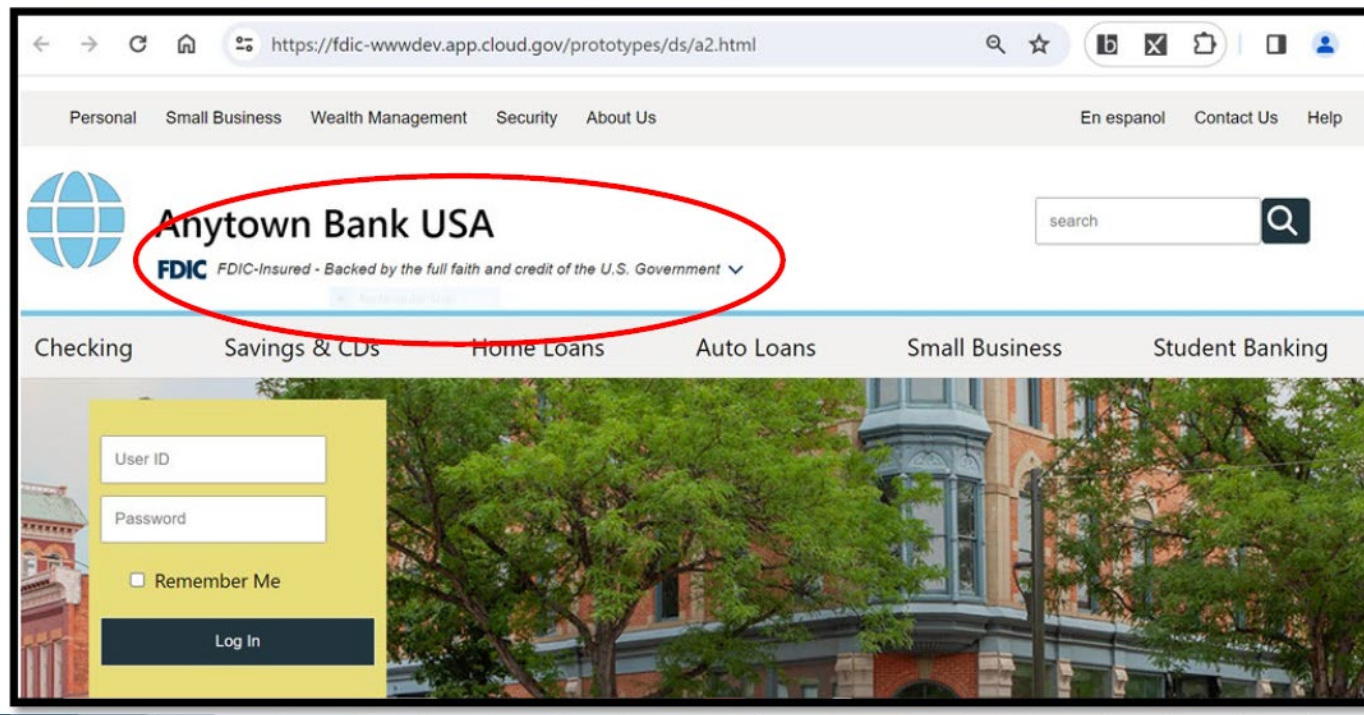
When displaying the FDIC official digital sign

- **Legibility.** Must be clearly legible across all IDI deposit-taking channels.
- **Clear and conspicuous placement.** An official digital sign continuously displayed near the top of the relevant page or screen and in close proximity to the IDIs name.

§328.5 Signs for digital deposit-taking channels.

Digital Deposit-taking Channels, cont.

An example: New FDIC Official Digital Sign for Bank Websites and Apps



<https://www.fdic.gov/resources/deposit-insurance/banker-webinar/index.html>

Digital Deposit-taking Channels, cont.

New advertising statement flexibilities:

- If a page on a bank's website/app has the new FDIC official digital sign and could be considered an “advertisement,” the banks can, if they choose, but are not required to, remove the “Member FDIC” or “Member of FDIC” logo.
- IDI’s may opt to use the new “FDIC-insured” language to satisfy advertisement statement requirement instead of “Member FDIC” or “Member of FDIC”

IDIs still need the advertising statement on pages where the official digital sign is not required, but still might be an ‘advertisement’ under §328.6.

§328.6 Official advertising statement requirements.

Digital Deposit-taking Channels, cont.

If a digital deposit-taking channel offers both access to deposits and NDIPs, must:

- Display signage indicating that the non-deposit products: are not insured by the FDIC; are not deposits; and may lose value.
 - *This signage must be displayed continuously on each page relating to non-deposit products.*

§328.5 Signs for digital deposit-taking channels.

Digital Deposit-taking Channels, cont.

Non-deposit sign requirements for Bank digital deposit-taking channels

Static Sign on a bank's website.

- On each page relating to non-deposit products, display a non-deposit sign clearly, conspicuously, and continuously indicating that:

**Non-deposit products:
Are not FDIC insured;
Are not deposits;
May lose value.**

- There is no size or design requirement for how this statement is displayed, provided the message is displayed clearly, continuously, and conspicuously.

<https://www.fdic.gov/resources/deposit-insurance/banker-webinar/index.html>

Notification for Bank Customers Related to Third-Party Non-deposit Products

- Applies when a logged-in bank customer accesses non-deposit products from a non-bank third party's website via an IDI's digital deposit-taking channel (e.g., through a hyperlink).
- Must be dismissed by an action of the bank customer before initially accessing the third party's online platform.
- Must clearly and conspicuously indicate that the third party's non-deposit products: are not insured by the FDIC; are not deposits; and may lose value.

Example: *The one-time notification could be a “pop-up” or “speedbump” that the customer must dismiss before accessing the third party's website. Does not limit an IDI's ability to include additional disclosures in the notification that may help prevent consumer confusion (i.e., leaving the Bank's website).*

§328.5(g)(2) Signs for digital deposit-taking channels.

Wait, what?

(h) “The Corporation may require any insured depository institution, upon at least thirty (30) days' written notice, to change the wording, color or placement of the FDIC official digital sign and other signs for digital deposit-taking channels when it is deemed necessary for the protection of depositors or others or to ensure consistency with this part's requirement.”

§328.5(h) Signs for digital deposit-taking channels.

Policy & Procedures Requirement

Must establish and maintain written policies and procedures to achieve compliance:

- Commensurate with the nature, size, complexity, scope, and potential risk of deposit-taking activities.
- Include, as appropriate, provisions related to monitoring and evaluating activities of persons that provide deposit-related services to the IDI or offer the IDI's deposit-related products or services to other parties.

§328.8 *Policies and procedures.*

What Will This Cost (in hours)?

According to the FDIC, for IDI's < \$10B:

- Branch signage. 1 hr, per year, per branch
- Digital signage requirements. Initial cost of 60hrs, then 10hrs per year.
- Policies and Procedures. Initial cost of 80hrs, then 17hrs per year.

Total: Initial cost of 140hrs (+1 hr per branch), then 27hrs (+1 hr per branch) per year.

89 FR 3521/3522

Related Rulemaking

In 2022, the FDIC published a final rule specifically prohibiting any person or organization from making misrepresentations about FDIC deposit insurance or misusing the FDIC's name or logo.

- Requires non-bank entities to identify the IDIs with which they have existing direct or indirect business relationships and into which consumers' deposits may be placed.
- Establishes a FDIC point of contact for receiving complaints and inquiries about potential misrepresentations regarding deposit insurance (ask.fdic.gov site or at 1-877-ASK-FDIC).
- On 7/29/22, the FDIC published an Advisory and Fact Sheet to address certain misrepresentations about FDIC deposit insurance by crypto companies through or in connection with IDIs.
 - Reminds the industry that deposit insurance does not apply to non-deposit products, such as stocks, bonds, money market mutual funds, securities, commodities, or crypto assets.
 - It includes a list of several risk management and governance considerations including that IDIs should confirm and monitor that crypto companies do not misrepresent the availability of deposit insurance.

Consider third party risk

87 FR 33415, 6/2/22.

Resources

- **The Rule Itself:** <https://www.govinfo.gov/content/pkg/FR-2024-01-18/pdf/2023-28629.pdf>
- **FDIC Financial Institution Letter:** <https://www.fdic.gov/news/financial-institution-letters/2023/fil23065.html#>
- **The Regulation:** <https://www.ecfr.gov/current/title-12/chapter-III/subchapter-B/part-328>

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