

**MEMO# 4040**

August 21, 1992

# **LETTER FROM THE AMERICAN BANKERS ASSOCIATION CONCERNING OFF-THE-PAGE ADVERTISING; INSTITUTE RESPONSE**

August 21, 1992 TO: BOARD OF GOVERNORS NO. 64-92 RE: LETTER FROM THE AMERICAN BANKERS ASSOCIATION CONCERNING OFF-THE-PAGE ADVERTISING; INSTITUTE RESPONSE

Attached is a copy of a letter that was sent by the President of the American Bankers Association to various Congressional leaders criticizing the SEC staff's proposal for "off-the-page" advertising. The ABA complained that use of off-the-page advertisements would give mutual funds a competitive advantage at a time when mutual funds' market share has grown and bank regulation has been increased. The letter described the staff's proposal as one that would deny investors "the benefit of a prospectus." In response, the Institute sent a letter to Congressional leaders (a copy of which is also attached) pointing out that under the staff's proposal off-the-page advertisements would themselves be prospectuses containing extensive disclosures as required by SEC rules. The letter also noted that banks have always been able to enclose applications with their advertisements for deposit instruments. Matthew P. Fink President Attachments

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