

For immediate release

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**Interagency Guidance Issued on Unfair or Deceptive Acts or Practices  
by State-Chartered Banks**

The Board of Governors of the Federal Reserve System and the Federal Deposit Insurance Corporation today issued guidance outlining standards they will apply to determine when acts or practices by state-chartered banks are unfair or deceptive. Such practices are illegal under section five of the Federal Trade Commission (FTC) Act.

In order to respond to questions raised by institutions under the agencies' supervision, the statement also provides guidance on steps that state-chartered banks can take to avoid engaging in unfair or deceptive acts or practices. The approach outlined in the statement is based on long-established standards used by the FTC to enforce section five of the FTC Act against non-bank entities.

In 2002, the Board and the FDIC affirmed their authority to apply the prohibition against unfair or deceptive acts or practices to the activities of state-chartered banks. At that time, the agencies also announced their intention to issue further guidance for state-chartered banks with respect to the prohibition.

**Media Contacts:**

Federal Reserve: Susan Stawick (202) 452-2955  
FDIC: David Barr (202) 898-6992

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Attachment: Unfair or Deceptive Acts or Practices by State-Chartered Banks