

Frequently Asked Questions



Q: What is the value proposition of CompliancePal? Why should I sign up?

A: Complying with the ID Theft Red Flags Rule is a challenge. Why? Because you have to do a lot of work in order to attain compliance. Then you have to maintain compliance on an ongoing basis. So unless you use a tool, your compliance efforts will take longer and may not be effective and expose you to non-compliance risks. Also it will be hard to maintain compliance because you will not be able to easily and timely update your ID Theft Prevention Program.

CompliancePal is a web-based software that you can use to quickly and easily get into and stay in compliance. It saves hundreds of hours and thousands of dollars in compliance costs. It enables the risk assessment, the mapping of red flags to detection and response procedures and generates the written ID Theft Prevention Program, training materials and the periodic report to get you into compliance quickly and easily.

It is also updated with new red flags so you can update your Program easily and timely and maintain compliance. You can sleep at night knowing you are in compliance at all times and will be able to pass your compliance examination with ease. Bottom-line: CompliancePal enables you to have an effective ID Theft Prevention Program that actually mitigates ID Theft risk and is not a paper tiger that exposes you to regulatory sanctions or plaintiff attorney lawsuits.

Q: What is the response from Regulators regarding CompliancePal?

A: We have shown the software to the various regulators in Washington D.C. and will continue to show it in the coming months to field examiners to familiarize them with the software and its value proposition for financial institutions and creditors, and how it will facilitate compliance examinations.

While regulators cannot endorse a solution, they are providing us with extremely positive feedback. The regulators appreciate how cost effective the solution is and how methodical the solution is. They like that the software and the tools enable compliance in an organized, methodical and efficient manner, and that it contains all regulatory requirements. They also appreciate greatly that the software enables the risk assessment and contains all of the reports that they will ask to see in an examination, and that it is updated for new red flags and enables an entity to easily maintain compliance.

Q: What is the cost?

A: It is highly cost-effective. There is only one annual license fee. The special pricing is as follows:

	Non-Financial Institution	Financial Institution
Small Entity \$495	Annual Sales \$1 Million or Less	Asset Size \$165 Million or Less
Mid-Size Entity \$795	Annual Sales More Than \$1 Million to \$6.5 Million	Asset Size More Than \$165 Million to \$1 Billion
Large Entity \$1295	Annual Sales More Than \$6.5 Million	Asset Size More Than \$1 Billion

Q: Is the program automatically renewed each year?

A: You will receive a notice via email 30 days before your expiration so you can renew at that time. We highly recommend that you continue your subscriptions so as not to be out of compliance at any time. Because we are always updating the program, you are assured that you will always be informed of current regulations and mandates.

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Q: What are the primary differences between CompliancePal and other Red Flags solutions?

A: First of all, the many Red Flags solutions that are in the marketplace are transactional in nature. For example, they enable you to verify identity at account opening, check a database for debit or credit history, verify a drivers' license number, etc. CompliancePal differs from these types of solutions because the software generates your regulatory mandated risk assessment, written ID Theft Prevention Program, Training materials and the Periodic Report. CompliancePal is a compliance policy and procedure solution as opposed to a transactional solution.

Second of all, there is no other Red Flags compliance solution in the marketplace that provides you with the following:

1. An e-learning course built in to the software on the Red Flags Rule that teaches you in plain language and in an engaging and interactive way all you need to know about critical compliance requirements.
2. A best practices webinar built in to the software presented by a top regulatory expert on how to comply smart, avoid common pitfalls and leverage the software for efficiency and effectiveness. You learn key tips, strategies and tactics.
3. The regulatory mandated risk assessment at the outset of the process via risk assessment worksheets. The proprietary worksheets ensure you perform a comprehensive inventory, accurately identify all covered accounts and properly determine risk levels. CompliancePal is the only solution with risk assessment worksheets and methodology that fully complies with the regulation. This ensures you do not miss anything and pass your next examination with ease.
4. The ability to add secondary users with risk assessment and red flags mapping capabilities to expedite the compliance process. This enables efficient workflow and distribution. Access to the secondary users is limited to certain less sensitive areas. There are no limits

to the number of secondary users. CompliancePal is the only solution with such workflow distribution capability.

5. A database containing the 26 red flags listed in Appendix J of the Red Flags Rule that you are required to consider, along with additional red flags from actual identity theft cases. CompliancePal is the only solution containing red flags from latest identity theft cases, and one that is regularly updated. Our in-house staff of attorneys, compliance officers and former regulators monitor and analyze identity theft cases on a daily basis to identify new schemes and red flags. No other source performs such monitoring and analysis daily. This enables you to fully comply with the Rule's requirement to periodically update your Program for new risks and ensure that your Program is not a paper tiger but one that in reality prevents identity theft.
6. The Identity Theft Prevention Program, Training and Report as PDF as well as in Microsoft Word, compatible with all versions so you can easily edit the documents if you need to do so. CompliancePal is the only solution that provides these documents in a format compatible with all versions of Word.
7. A Red Flags Map in Microsoft Excel that lists for each covered account, applicable red flags, detection and response procedures so that you can sort, organize and manipulate, as you need to. The Red Flags Map is also a highly effective training, education and policy and procedure tool. CompliancePal is the only solution that provides you with such a tool.

The bottom-line is that CompliancePal is the most popular, trusted, comprehensive and effective Red Flags compliance solution in the marketplace. It saves hundreds of hours, thousands of dollars in compliance costs. It enables a financial institution or creditor to quickly, easily and inexpensively get into and stay in compliance with the Red Flags Rule.



Identity Theft: Red Flags Rule Compliance Tool

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Q: How many users are allowed with each subscription?

A: The software is intended for one primary user (e.g. Compliance Officer) and the license is for one legal entity. However, the software allows the primary user to set up access for multiple secondary users. There is no limit to the number of secondary users.

While the primary user will have access to the entire system, secondary users are restricted from accessing certain sensitive areas. This way the primary user keeps overall control of the software and the compliance process while the secondary users are assigned risk assessment worksheets to complete and input into the system. This way the work is efficiently distributed and the compliance process greatly expedited. Currently hundreds of entities are successfully using the software to get into compliance quickly and easily!

Q: Is the software for other types of covered entities other than Banks, such as Credit Unions, Auto Dealers, Mortgage Brokers, Consumer Lenders, Municipalities, Hospitals, Medical Service Providers, Educational Institutions, etc.?

A: Yes, CompliancePal is for any entity covered under the ID Theft Red Flags Rule. The software is designed to be tailored and customized by the user for any type of covered entity. Currently hundreds of covered entities of all types and sizes have signed up and are using the software to get into compliance!

Q: Is CompliancePal compatible for Credit Unions?

A: Yes.

Q: Can we test the software before we purchase it?

A: Currently hundreds of financial institutions and a variety of other covered entities are using the solution. They range from the top 10 banks to small community banks and credit unions. Also, auto dealers, mortgage lenders, utility companies and others. We expect several thousand entities of all types and sizes to sign up in the coming months.

CompliancePal is the premier solution and an unbeatable value proposition! Here are some customer testimonials:

"CompliancePal is a "must have" solution for every compliance officer. It makes compliance with the Rule easier and methodical. It is also updated regularly with new red flags so we can stay ahead of emerging risks and maintain compliance."

-Barbara A. Yusko
VP, Compliance Manager
First Midwest Bank

"How else can one keep up with new Identity Theft risks and quickly update the Prevention Program? CompliancePal is the answer."

- Susan A. deFreese
Senior Vice President
Chief Compliance & BSA Officer
Old Southern Bank

"The Identity Theft Red Flags Rule is a major concern for our Credit Union affiliates. That is why we have endorsed CompliancePal, the nation's most popular, efficient and affordable solution for complying with the FACT Act Identity Theft Red Flags Rule. Their methodical approach using the '5 easy steps' really does save time and money. Hundreds of credit unions are now using this tool and it is an honor to recommend it to our members."

- Jeremy Morris, CUCE, BSACS
Compliance Specialist
Mid-America Credit Union Association

"We are delighted to license CompliancePal. We recommend it strongly to all credit unions. CompliancePal saves time, money and enables compliance precisely. It is an outstanding value proposition."

- Tom Glatt
President & CEO
Continental Airlines Federal Credit Union

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Q: How often is the software updated?

A: Usually on a daily basis for ID Theft schemes, and as necessary to add new red flags. Our staff of Compliance Attorneys and other compliance experts daily analyze ID Theft cases to identify new red flags. CompliancePal contains the government provided 26 red flags but we are adding to the database with new red flags. For example, we recently added 34 new red flags based on the latest cases. This way you can update your Program with any applicable red flags with a click of a mouse and be assured that your Program will not be a paper tiger but one that will prevent, detect and mitigate ID Theft. Plus, the Rule requires you to periodically update your Program for new risks. With CompliancePal you will always be in compliance!

Q: Do you store our Program information and how safe is it?

A: Yes, we host and store your Program information. We have gone the extra mile to make sure that the security of your data is safe and secure. CompliancePal is a VeriSign Secured site. We use VeriSign's SSL technology to encrypt and process your data. The site is also hosted at a secure site, with 24 x 7 hosting and managed security services provided by one of North America's leading, well-established, publicly-traded web hosting companies. We use a variety of state-of-the-art security measures, including multiple firewalls, 24 x 7 monitoring, redundant servers and back-up mechanisms, to protect your data.

Q: I know CompliancePal provides the training materials. Can I deploy it as web-based?

A: If you are already a Compliance Coach customer using our compliance e-learning solution, then you can import the training and deploy it via our solution at no additional cost. If you are not using our compliance e-learning solution, we can convert the training materials into a web-based course for a small fee so you can deploy it from your current system. Please note that regardless you will be receiving the training materials as a PDF and Microsoft Word for free as part of the subscription! Please contact us at info@compliancecoach.com and we will provide a quote for a web-based course.

Q: How does the training work as part of the Program requirement?

A: As part of the subscription, the software generates two customized courses, one for the executive level and one for the rest of your employees. The courses incorporate details regarding your specific Program which includes your covered accounts, red flags and detection and response methods. The course is then sent to you in a PDF and Microsoft Word format for distribution.

Q: What are the primary differences between training for the executive team versus training provided for employees?

A: The executive level training is more of a "high-level" overview on how the Program affects the institution as well as what measures need to be put in place in order to establish a compliant Program. The employee version is a more detailed approach which outlines the covered accounts as well as detection and response methods that relate to a financial institution's specific Identity Theft Prevention Program.

POWERED BY
COMPLIANCE COACH®

Compliance Coach is a leading provider of automated regulatory compliance solutions to the financial services industry. Seven of the top 10 banks and hundreds of financial institutions throughout the U.S. rely on Compliance Coach's solutions and services to mitigate compliance risk.

Compliance Coach provides risk assessment software, e-learning and other tools to enable compliance with applicable laws and regulations. Its products and services are supported by an in-house team of nationally recognized legal, compliance and technology experts. CompliancePal is the company's latest revolutionary web-based software that uses a unique five step system to enable compliance with the new FACT Act Identity Theft Red Flags Rule, quicker and easier.

The company is privately held and venture capital backed by four of the top 10 banks: Wells Fargo, Bank of America, Citigroup and Washington Mutual are the company's primary investors. It is based in San Diego, California and has a regulatory relations office in Washington, D.C. For further information, visit www.compliancecoach.com.