

CompliancePal™

Identity Theft: Red Flags Rule Compliance Tool

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FACTsheet

8.3 Million People Fall Victim to ID Theft
Fraudsters Cause \$15.6 Billion in Losses

-Source: Federal Trade Commission (FTC)

Something Had to be Done...

The Identity Theft Red Flags Rule implements section 114 of the Fair and Accurate Credit Transactions Act (FACT Act). To combat identity theft, the Identity Theft Red Flags Rule requires all financial institutions and creditors to develop and implement a written identity theft prevention program.

What is the Rule?

It is the Final Rule on Identity Theft Red Flags and Address Discrepancies Under the Fair and Accurate Credit Transactions Act of 2003, as published in the Federal Register, Vol. 72, No. 217, on Friday, November 9, 2007.

Who is covered by the Rule?

The Rule applies to a financial institution or a creditor such as a:

- Bank
- Savings Association
- Credit Union
- Mortgage Lender
- Mortgage Broker
- Consumer Lender
- Municipality
- Utility Company
- Phone Company
- Auto & Motorcycle Dealer
- Hospital
- Medical Service Provider
- Educational Institution
- Other Creditor

The Rule applies to deposit, loan or other accounts made to a person for personal, family, household purposes that involves or is designed to permit multiple payments or transactions such as a credit card account, mortgage loan, automobile loan, margin account, cell phone account, utility account, checking account, savings account, or other accounts that pose a "reasonably foreseeable" risk of identity theft, or a risk of loss to the financial institution or creditor.

What are the Compliance Requirements?

The Rule mandates that each covered entity:

- Perform a Risk Assessment
- Identify all Covered Accounts
- Identify Relevant Identity Theft Red Flags for Covered Accounts
- Implement Appropriate Detection and Response Procedures
- Develop a Written Identity Theft Prevention Program
- Obtain Board of Directors Approval
- Train Appropriate Staff
- Update the Program Periodically
- Review Compliance at least Annually

What is the compliance deadline?

The mandatory compliance deadline is **Nov. 1, 2008**.

What are the consequences?

Non-compliance penalties can include:

- Civil Money Penalty for Each Violation
- Cease and Desist Order
- Lowering of Examination Rating
- Negative Publicity, Loss of Business
- Consumer Lawsuit



How Can I Comply?

Easily and quickly, with **CompliancePal!** This one-stop solution allows you in just **5 Easy Steps** to quickly get and stay in compliance!

CompliancePal is a web-based software that enables compliance quickly and easily. No software to install, 24 x 7 access, all the tools to be in compliance and ongoing updates to stay in compliance.

For one low fee, you will receive a one year subscription to **CompliancePal**, a wizard-based tool that will produce you:

- Identity Theft Risk Assessment
- Mapping of Red Flags to Appropriate Detection and Response Procedures
- Written Identity Theft Prevention Program
- Training Program
- Compliance Status Report

What does it cost to comply?

It could cost your organization hundreds of hours and thousands of dollars to develop a program! But with CompliancePal, one low fee saves you the time, hassle and headache of putting it all together.

One Year Subscription	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

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Compliance Coach is a leading provider of automated regulatory compliance solutions to the financial services industry. Compliance Coach provides risk assessment software, e-learning and other tools to enable compliance with applicable laws and regulations. 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.

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