

Press Releases

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OTS 06-031 - Agencies Propose Rules on Identity Theft Red Flags and Notices of Address Discrepancy

Office of Thrift Supervision

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Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Federal Trade Commission
National Credit Union Administration
Office of the Comptroller of the Currency
Office of Thrift Supervision**

Agencies Propose Rules on Identity Theft Red Flags and Notices of Address Discrepancy

WASHINGTON -- The federal financial institution regulatory agencies and the Federal Trade Commission are soliciting comments on a Notice of Proposed Rulemaking (NPRM) concerning identity theft "red flags" and address discrepancies. The NPRM, which has been reviewed and approved by each of the listed agencies, implements sections 114 and 315 of the Fair and Accurate Credit Transactions Act of 2003.

The regulations that the agencies are jointly proposing would require each financial institution and creditor to develop and implement an identity theft prevention program that includes policies and procedures for detecting, preventing, and mitigating identity theft in connection with account openings and existing accounts. The proposed regulations include guidelines listing patterns, practices, and specific forms of activity that should raise a "red flag" signaling a possible risk of identity theft. Under the proposed regulations, an identity theft prevention program established by a financial institution or creditor would have to include policies and procedures for detecting any "red flag" relevant to its operations and implementing a mitigation strategy appropriate for the level of risk.

The proposed regulations also would require credit and debit card issuers to develop policies and procedures to assess the validity of a request for a change of address followed closely by a request for an additional or replacement card.

Additional proposed regulations would require users of consumer reports to develop reasonable policies and procedures that they must apply when they receive a notice of address discrepancy from a consumer reporting agency.

Comments on the NPRM are due no later than 60 days after publication in the Federal Register, which is expected shortly. The NPRM is attached.

Attachment - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2006-31a.pdf>

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, thrift institutions, and to support their role as home mortgage lenders and providers of other community credit and financial services. OTS also oversees the activities and operations of thrift holding companies that own or control thrift institutions. Copies of OTS news releases and other documents are available at the OTS web page at www.ots.treas.gov.