



Red Flag Rules

Gain the upper hand on Identity Theft **Red Flags Rule**

Confidently Comply with FACTA Requirements

MFI Credit Solutions has partnered with Experian, a Leader in Decision Analytics, to offer a Red Flag Compliant Program for Fraud and Compliance Solutions.

What is The Red Flags Rule?

The Red Flags Rule was developed pursuant to the Fair and Credit Transactions Act (FACT) Act of 2003. Under the rule, each financial institution and creditor with covered accounts must:

- Develop and implement a comprehensive written identity theft prevention program which includes the means to identify, detect, and respond to patterns, practices, or specific activities that could indicate identity theft. Please go to <http://ftc.gov/redflagsrule> for help writing your prevention program.
- The Prevention Program must be appropriate to the size and complexity of its business and the nature and scope of its activities.

Who must comply by November 1ST, 2008...Financial Institutions such as: Banks, Thrifts, Mortgage Lenders, Credit Unions and U. S. Branches of Foreign Banks and Lenders.

Creditors such as: Mortgage Brokers, Utility Companies, Telecommunication Companies, Health Care Companies, Auto Dealers, Debt Collectors, Non Profit and Government entities that defer payments for goods or services.



Being prepared is a two part process

Part 1

The Federal Trade Commission (FTC), the federal bank regulatory agencies, and the National Credit Union Administration (NCUA) have issued regulations (Red the Flags Rules) requiring financial institutions and creditors to develop and implement comprehensive written identity theft prevention programs, as part of the Fair and Accurate Credit Transactions (FACT) Act of 2003. The programs must be in place by November 1, 2008, and must provide for the identification, detection, and response to patterns, practices, or specific activities...known as "Red Flags"...that could indicate identity theft. For questions about compliance with the Rules, you may contact Red Flags@ftc.com

Part 2

Tools for Immediate Implementation... For your peace of mind Experian has developed Precise ID, a comprehensive fraud prevention and detection platform to assist with Red Flag Compliance. This tool may be accessed with each credit report pull, or accessed independently for other applications.

COST: **\$1.00 per Name with Credit Report**
 \$1.50 per Name as Stand Alone

Experian Precise ID includes five key sections in evaluating identity risk:

- **Applicant Information...**Includes the applicant's name, street address, city, state, zip code, date of birth, social security number, and current telephone number.
- **Fraud Guard...**Includes a score value with an explanation of the score range and what the score means, plus a list of potential risk indicators, such as "Lack of new credit activity" or "Low level of validation".
- **ID Validation...**Includes SSN validation information, whether or not the SSN is issued to a deceased person, address information based on SSN, and FKA/AKA information.
- **OFAC Compliance...**Designates if the borrower/co-borrower matched a record on file with the Office of Foreign Assets Control. When no match is found, this section will display "No Match." When a match is found, the related information will display here.

18685-101 Main St PMB624, Huntington Beach, CA 92648
(714) 500-3264 Phone (714) 847-2146 Fax



- **Information Sources...** Includes standard verbiage discussing the purpose and liability information in relation to this information.

If you are interested in adding this approved Red Flag alert to your credit reports please contact our office at 714-500-3264 or 866-377-5327.

Additional Alerts and “Identity verification services by telephone” are available upon request.

Go to <http://www.ftc.gov/bcp/edu/pubs/articles/art10.shtm> or www.experian.com/redflags for more information about The Red Flags Rule.