

Illinois Credit Union League

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VIA E-MAIL

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secure.commentworks.com/ftc-redflags

September 18, 2006

Ms. Mary Rupp,
Secretary of the Board
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314-3428

Federal Trade Commission/Office of the Secretary
Room H-135 (Annex M)
600 Pennsylvania Ave., N.W.
Washington D.C. 20580

Re: Proposed Rule-Identity Theft Red Flags

Dear Ms. Rupp:

We are pleased to respond on behalf of our member credit unions to the NCUA and FTC's Request for Comment regarding the proposed guidelines that would require financial institutions to identify "red-flags" during the account opening and account updating process. The Illinois Credit Union League represents over 400 federal and state-chartered credit unions.

The fear of identity theft amongst credit union members, and consumers in general is quite apparent from the credit union calls we receive daily. Therefore we understand the urgency that the federal regulatory agencies have in controlling identity theft. Having said that, the proposed guidelines issued by the agencies' would not only be overly burdensome, but would require duplicative procedures, as currently required under the USA PATRIOT Act. Credit unions are currently required to "Know their Members" prior to opening an account. Policies and procedures were required and developed as a result of the USA PATRIOT Act. If the requirements of the Customer Identification Program needed to be slightly altered, in order to avoid an entirely new Red-Flag program, and therefore new policy and procedures, we could understand a modification to the CIP. Credit unions are already required to have a person designated to the Bank Secrecy Act, therefore a few alterations to the BSA Program would not be as burdensome as an entirely new Red-Flag program, which would require another designated employee to monitor for compliance.

The necessary rules and regulations are already in place to combat identity theft. On the federal level, the USA PATRIOT Act's CIP requires numerous steps in identifying the potential member, and many states have laws regarding identity theft and the steps required if and when member data is compromised. Therefore we would encourage the agencies to work within the existing guidelines and programs currently required, before imposing new guidelines, which would undoubtedly duplicate current policy and procedure.

We appreciate your time and effort on this important subject. If you have any questions concerning this comment letter, please contact me at (630)983-4263.

Very truly yours,

ILLINOIS CREDIT UNION LEAGUE

By: Niall K. Twomey
Technical Specialist

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