

§ 609.930

as visual text. An example is a message displayed on a personal computer monitor screen. This does not include audio- and voice-response telephone systems.

(c) *Electronic business (E-business) or electronic commerce (E-commerce)* means buying, selling, producing, or working in an electronic medium.

(d) *Electronic mail (E-mail)* means:

(1) To send or submit information electronically; or

(2) A communication received electronically.

(e) *Electronic signature* means an electronic sound, symbol, or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record. Electronic signature describes a category of electronic processes that can be substituted for a handwritten signature.

Subpart C—Standards for Boards and Management

§ 609.930 Policies and procedures.

The FCA supports E-commerce and wants to facilitate it and other new technologies and innovations to enhance the efficient conduct of business and the delivery of safe and sound credit and closely related services. Through E-commerce, System institutions can enhance customer service, access information, and provide alternate communication systems. At the same time, E-commerce presents challenges and risks that your board must carefully consider in advance. Before engaging in E-commerce, you must weigh its business risks against its benefits. You must also adopt E-commerce policies and procedures to ensure your institution's safety and soundness and compliance with law and regulations. Among other concerns, the policies and procedures must address, when applicable:

(a) Security and integrity of System institution and borrower data;

(b) The privacy of your customers as well as visitors to your Web site;

(c) Notices to customers or visitors to your Web site when they link to an affiliate or third party Web site;

(d) Capability of vendor or application providers;

12 CFR Ch. VI (1–1–06 Edition)

(e) Business resumption after disruption;

(f) Fraud and money laundering;

(g) Intrusion detection and management;

(h) Liability insurance; and

(i) Prompt reporting of known or suspected criminal violations associated with E-commerce to law enforcement authorities and FCA under part 612, subpart B of this chapter.

[67 FR 16631, Apr. 8, 2002; 69 FR 42853, July 19, 2004]

§ 609.935 Business planning.

When engaging in E-commerce, the business plan required under part 618 of this chapter, subpart J, must describe the E-commerce initiative, including intended objectives, business risks, security issues, relevant markets, and legal compliance.

§ 609.940 Internal systems and controls.

When applicable, internal systems and controls must provide reasonable assurances that System institutions will:

(a) Follow and achieve business plan objectives and policies and procedures requirements regarding E-commerce; and

(b) Prevent and detect material deficiencies on a timely basis.

§ 609.945 Records retention.

Records stored electronically must be accurate, accessible, and reproducible for later reference.

Subpart D—General Requirements for Electronic Communications

§ 609.950 Electronic communications.

(a) *Agreement.* In accordance with E-SIGN, System institutions may communicate electronically in business, consumer, or commercial transactions. E-commerce transactions require the agreement of all parties when you do business.

(b) *Communications with consumers.* E-SIGN and Federal Reserve Board Regulations B, M, and Z (12 CFR parts 202, 213, and 226) outline specific disclosure requirements for communications with consumers.

(c) *Communications with parties other than consumers.* The consumer disclosure requirements of E-SIGN and of Federal Reserve Board Regulation B (12 CFR part 202) do not apply to your communications with parties other than consumers. (Federal Reserve Board Regulations M and Z (12 CFR parts 213 and 226) apply to consumers only.) Nonetheless, you must ensure that your communications, including those disclosures required under the Act and the regulations in this part, demonstrate good business practices in the delivery of credit and closely related services and in your obtaining goods and services.

PART 611—ORGANIZATION

Subparts A–B [Reserved]

Subpart C—Election of Directors and Other Voting Procedures

Sec.

- 611.310 Eligibility for membership on bank and association boards and subsequent employment.
- 611.320 Impartiality in the election of directors.
- 611.330 Confidentiality in voting.
- 611.340 Security in voting.
- 611.350 Application of cooperative principles to the election of directors.

Subpart D—Rules for Compensation of Board Members

- 611.400 Compensation of bank board members.

Subpart E—Transfer of Authorities

- 611.500 General.
- 611.501 Procedures.
- 611.505 Farm Credit Administration review.
- 611.510 Approval procedures.
- 611.515 Information statement.
- 611.520 Plan of transfer.
- 611.525 Stockholder reconsideration.

Subpart F—Bank Mergers, Consolidations and Charter Amendments

- 611.1000 General authority.
- 611.1010 Bank charter amendment procedures.
- 611.1020 Requirements for mergers or consolidations of banks.
- 611.1030 Board of directors of an agricultural credit bank.
- 611.1040 Creation of new associations.

Subpart G—Mergers, Consolidations, and Charter Amendments of Associations

- 611.1120 General authority.
- 611.1121 Charter amendment procedures.
- 611.1122 Requirements for mergers or consolidations.
- 611.1123 Merger or consolidation agreements.
- 611.1124 Territorial adjustments.
- 611.1125 Treatment of associations not approving districtwide mergers.

Subpart H—Rules for Inter-System Fund Transfers

- 611.1130 Inter-System transfer of funds and equities.

Subpart I—Service Organizations

- 611.1135 Incorporation of service corporations.
- 611.1136 Regulation and examination of service organizations.
- 611.1137 Title VIII service corporations.

Subpart J–O [Reserved]

Subpart P—Termination of System Institution Status

- 611.1200 Applicability of this subpart.
- 611.1205 Definitions that apply in this subpart.
- 611.1210 Commencement resolution and advance notice.
- 611.1215 Prohibited acts.
- 611.1220 Filing of termination application.
- 611.1221 Filing of termination application—timing.
- 611.1222 Plan of termination—contents.
- 611.1223 Information statement—contents.
- 611.1230 FCA review and approval.
- 611.1240 Voting record date and stockholder approval.
- 611.1245 Stockholder reconsideration.
- 611.1250 Preliminary exit fee estimate.
- 611.1255 Exit fee calculation.
- 611.1260 Payment of debts and assessments—terminating association.
- 611.1265 Retirement of a terminating association's investment in its affiliated bank.
- 611.1270 Repayment of obligations—terminating bank.
- 611.1275 Retirement of equities held by other System institutions.
- 611.1280 Dissenting stockholders' rights.
- 611.1285 Loan refinancing by borrowers.
- 611.1290 Continuation of borrower rights.

AUTHORITY: Secs. 1.3, 1.13, 2.0, 2.10, 3.0, 3.21, 4.12, 4.15, 4.20, 4.21, 5.9, 5.10, 5.17, 6.9, 6.26, 7.0–7.13, 8.5(e) of the Farm Credit Act (12 U.S.C. 2011, 2021, 2071, 2091, 2121, 2142, 2183, 2203, 2208, 2209, 2243, 2244, 2252, 2278a–9, 2278b–6, 2279a–2279f–1, 2279aa–5(e)); secs. 411 and 412 of Pub.