

NCUA LETTER TO CREDIT UNIONS

NATIONAL CREDIT UNION ADMINISTRATION
1775 Duke Street, Alexandria, VA 22314

DATE: March 2009 **LETTER NO.:** 09-CU-07

TO: Federally Insured Credit Unions

SUBJ: Evaluating Risk Management of Remote Deposit Capture Questionnaire

ENCL: Remote Deposit Capture Questionnaire

REF: Risk Management of Remote Deposit Capture (LTCU 09-CU-01)

Dear Board of Directors:

The purpose of this Letter is to provide Federally Insured Credit Unions with the enclosed questionnaire NCUA field staff will use to complete the evaluation of the Remote Deposit Capture system (RDC).

NCUA issued Letter to Credit Unions 09-CU-01, Risk Management of Remote Deposit Capture, in January 2009. This Letter provides credit unions with the FFIEC guidance on Risk Management of RDC. The guidance discusses the key risk issues associated with RDC and addresses the elements of risk management practices. This new questionnaire focuses on the three components of risk management practices applicable to the RDC technologies and business processes as discussed in the guidance:

- Risk Assessment and Strategic Planning;
- Risk Mitigations and Controls; and
- Risk Measurement and Monitoring.

Examiners will evaluate the related types and levels of risk exposure, the adequacy of management, and technology and process controls based on the size, complexity, and risk profile of the credit union and the relative scale of RDC implementation. Credit unions offering the RDC service may use the questionnaire to help analyze their associated risks and control practices. This

analysis can assist in the establishment of a risk assessment process and the implementation of controls and monitoring systems as specified in the guidance.

If you have any questions or concerns, please contact your NCUA Regional Office or State Supervisory Authority.

Sincerely,

/s/

Michael E. Fryzel
Chairman

