



## *Credit Union Department*

---

**TO:** State Chartered Credit Unions  
Out-of State Credit Unions with Offices in Texas

**FROM:** Harold Feeney, Commissioner *H.F.*

**DATE:** February 27, 2008

**SUBJECT:** HB 2002—Reporting Identity Theft

It has come to our attention that a number of credit unions may not be fully aware that effective March 1, 2008, any financial institution with offices in Texas is required to notify check verification entities when a member/customer is a victim of identity theft. Under the statute (Texas Business & Commerce Code §35.595), the notification requirement is activated when a member completes four steps:

1. Notifies the credit union that the member was the victim of an offense under Section 32.51 of the Penal Code (generally, identity theft);
2. Requests that the credit union close the account that was compromised by the alleged offense;
3. Gives the credit union a copy of a police report (or the case number issued by the police department) for the offense; and
4. Gives the credit union a sworn statement by the member that the member was the victim of an offense under that section, and gives written authorization to submit account information through the electronic notification system.

Model sworn statement forms are on the Texas Department of Banking website at <http://www.banking.state.tx.us/> under Check Verification Entities. Once the credit union has received the documents listed above, the credit union has two business days to submit the following information to the electronic notification system described below:

1. member's name, address, phone number, date of birth, and driver's license number or government-issued identification number
2. the account number that was compromised by the offense and closed as a result of the offense
3. the credit union's routing number and
4. the number on any check that was lost, stolen, or compromised.

**State Chartered Credit Unions**  
**Out-of State Credit Unions with Offices in Texas**

February 27, 2008

Page 2

The Department of Banking has established a secure electronic system called Closed Account Notification System (CANS) at <https://www.banking.state.tx.us/cans>. Credit unions will submit the data, which will then be retrieved by the check verification entities. First time users will register at the site and will be sent an email validation. There is on-line help (FAQs) as well as an email address for questions that are not answered in the on-line help.

The Finance Commission has adopted rules which provide additional guidance on the reporting requirements, including procedures for correcting erroneous information submitted through the electronic notification system. The rules can be found on the Department of Banking website at <http://www.banking.state.tx.us/> under Check Verification Entities. For your convenience, the Texas Credit Union Department's website also has links to these rules, to the model sworn statement forms, and to CANS.

Credit unions should register immediately and begin utilizing the service to help protect member financial information.