



Important information your institution should know about FACTA and the Red Flag Rule.

### Did you know?

The Federal Trade Commission (FTC) gave creditors and financial institutions until May 1, 2009 to comply with the Red Flag Rule under sections 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA).

### Why is this important?

The rule requires creditors and financial institutions offering or servicing covered accounts to develop and implement a written Identity Theft Prevention Program for new and existing accounts. The program must:

- Identify the Red Flags relevant to the organization and its operations, which must be incorporated into the program;
- Have the ability to detect the Red Flags the program identifies;
- Have procedures in place to respond appropriately to any detected Red Flags to prevent and mitigate identity theft; and
- Reflect changes in risks to customers or to the safety and soundness of the institution from identity theft via periodic updates.

GRC is a third party debt collector and services post-default loans on behalf of the creditor. For GRC (a contingency services collection operation), **the applicable Red Flag is a fraud or active duty alert that is included within a consumer report.**

The attached document outlines the Red Flag and the process by which GRC handles fraud and identity theft situations. In summary, the process is to obtain two forms of verification to ensure we have reached the correct party and, then if they claim fraud, the account is coded to prevent calls and returned to the client for investigation. If, by chance, we were to directly receive an affidavit of forgery, police report, or other documentation or if the account is still placed with the agency, it will be coded and returned along with the documentation to the client. If the account was already closed and/or returned, the documentation would be forwarded to the client.

General Revenue Corporation's written FACTA Identity Theft Prevention and Red Flags Program was approved by the Sallie Mae Board of Directors and meets the requirements of the FACTA.

*If you have additional questions or concerns about FACTA or the Red Flag Rule, please contact any GRC Client Service Representative, or Sales Executive.*

## IDENTITY THEFT PREVENTION • • •

### GRC -- Campus-based Fraud Account Procedures



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While conducting normal account activity, certain situations may arise which either alert the employee to potential fraud or we receive direct notification from the customer that fraud or identity theft has occurred.

In addition to direct notification from the customer, potential fraud can be discovered in the following situations; fraud or active duty alert on a consumer credit report, notification from a financial institution or creditor, or additional suspicious activity on behalf of the customer.

#### Scenario #1 – Verbal Notification

In the event a customer advises the employee that he or she has been a victim of identity theft or fraud on their student loan account serviced by General Revenue Corporation, the following steps should be taken.

- The customer should be instructed to send written notification and any supporting documentation to:

General Revenue Corporation  
11501 Northlake Dr. Cincinnati, OH 45249  
Attention: Complaint Handling Team  
Or send to [disputes@generalrevenue.com](mailto:disputes@generalrevenue.com)

- The employee should inform the customer the school will be notified of the situation. Depending on contractual requirements, the school may:
  - Forward the promissory note or other validation for the employee to research and resolve, or
  - The school may request the account be closed and returned.
  - The employee must place the account into 3DPT; this will prevent future calls on the dialer until validation of the fraud is received or until the account is closed and returned for further investigation by the school.

#### Scenario #2 – Written Notification

If the customer provides written notification of fraud or potential identity theft, the account is referred to the Complaint Handling Team by scanning the original documents and sending to [disputes@generalrevenue.com](mailto:disputes@generalrevenue.com)

- The employee must place the account into 3DPT; this will prevent future calls on the dialer until the Complaint Handling Team can research the claim.
- The Complaint Handling Team will handle the account based on contractual requirements. This may include; researching and corresponding with the customer as needed, resolving the dispute and/or closing the account so that it can be returned to the school for further research.

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### Scenario #3 – Reviewing a Credit Bureau Report

In the event a fraud or active duty alert is found on a consumer credit report or we receive notification of fraud or identity theft from another financial institution, creditor, or client the following steps must be taken:

- The employee is required to verify at least two (2) identifiers to confirm the customer's identity.
  - Acceptable identifiers are; last four of the SSN, full name, date of birth, or address.
- Information pertaining to the account or its status should not be disclosed until the customer's identity can be confirmed.
- All verification must be clearly notated.
- If the customer verbally claims fraud or identity theft on their student loan account serviced by General Revenue Corporation, refer to Scenario #1.

Sallie Mae's written FACTA Identity Theft Prevention and Red Flags Program, which applies to all subsidiaries (including General Revenue Corporation) was approved by the Sallie Mae Board of Directors, is comprehensive and meets the requirements of the FACTA.

*If you have additional questions or concerns about FACTA or the Red Flag Rule, please contact any GRC Client Service Representative, or Sales Executive.*

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