



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

## Identity Theft Prevention and FACTA Red Flag Rule

In order to protect consumers, the Federal Trade Commission (FTC) requires creditors and financial institutions to comply with the Red Flag Rule under section 114 and 315 of the Fair and Accurate Credit Transactions Act (FACTA). As compliance with state and federal regulations is a cornerstone of GRC's collection practices, our collection policies and procedures meet the requirements of the Red Flag Rule as it applies to the collection of debt.

### Understanding the Importance of the Red Flag Rule

The FACTA Red Flag Rule requires creditors and financial institutions offering or servicing covered accounts to develop and implement a written Red Flags and Identity Theft Prevention Program for new and existing accounts. GRC is compliant with the Red Flag Rule (as it pertains to the collection of debt) and as such has completed the following steps to ensure full integration of this regulation into our collection procedures.

- Identified the Red Flags relevant to GRC and our operations, which were incorporated into our collections program.
- Implemented the necessary tools to detect the Red Flags as outlined by the program.
- Implemented procedures to respond appropriately to any detected Red Flags to prevent and mitigate identity theft.
- Scheduled reviews to enhance and update Red Flags and procedures to ensure any new identifiers are incorporated into the program.

As a debt collections organization, GRC services pre- and post-defaulted loans on behalf of the creditor, loan originator, learning institutions, schools, colleges, government organizations, guarantors, and other clients with various asset classes. As such, GRC has fully implemented a FACTA Identity Theft Prevention and Red Flag Program that has been approved by the GRC Audit Committee and which meets the requirements of FACTA. The following pages outline the Red Flag process by which GRC handles identity theft situations. In summary, the prevention process includes obtaining two forms of identification from the customer to ensure we have reached the right party. If the customer's identity is confirmed and the party claims identity theft, the account is coded to prevent future calls. The account is then either returned to Clients for investigation or retained by GRC for further investigation after notifying Clients. In the event GRC directly receives an affidavit of forgery, police report, other documentation on an active account, GRC will place the account into a designated code on the collection system and forward the documentation to the Client for a joint investigation into the validity of the claim. If the account is inactive, the documentation will be forwarded to the Client.



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

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

### Verbal Notification

In the event a customer advises the employee that he or she has been a victim of identity theft on their loan 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  
4660 Duke Drive, Suite 200  
Mason, OH 45040
- The employee should inform the customer that the Client will be notified of the situation. Depending on the contractual requirements, the Client may:
  - Forward the promissory note or other validation for GRC to research and resolve, or
  - The Client may request the account be closed and returned.
  - The employee must place the account into a designated code on the collection system which will prevent future calls on the dialer until validation of the identity theft claim is received or until the account is closed and returned for further investigation by the Client.

### Written Notification

If the customer requests to send written notification of potential identity theft, they are given the following address:

General Revenue Corporation  
4660 Duke Drive, Suite 200  
Mason, OH 45040

- The employee must place the account in the designated code on the collection system which will prevent future calls on the dialer until the claim can be researched.
- The account will be handled 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 Client for further research.



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

## Identity Theft Prevention

- 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 during the course of the conversation, the customer states they are not receiving mail on the account, the employee must verify and update the address (if appropriate) if it was not one of the identifiers used at the initiation of the call.
- The customer must provide a copy of the identity theft report and a copy of their photo identification. At the request of the Client, additional documentation may be required.
- If the customer verbally claims identity theft on their loan serviced by General Revenue Corporation, refer to the Verbal Notification section of the document.

GRG's written FACTA Identity Theft Prevention and Red Flags Program was approved by the GRC Audit Committee, is comprehensive and meets the requirements of the FACTA.

Employees are routinely required to participate in training and recertification programs for FACTA Identity Theft Prevention and Red Flags.

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