

Family First Credit Union

Deluxe Detect

Policy and Procedures

General Statement

Family First Credit Union has partnered with Deluxe Detect to assist in determining the identity of potential members. Deluxe Detect provides detailed inquiry information for all potential members and joint members as well as non-members when applicable.

It is the responsibility of the staff, which is opening a new membership or requiring an OFAC check before releasing funds; to pull an inquiry, clear any warnings and place the appropriate warnings in Galaxy at the member level. If the person is not a member, all documents used to verify and release funds must be kept with the receipt.

Family First Credit Union will adhere to the standards of identifying our potential members as it is defined in our Bank Secrecy Act Policy.

Benefits of Deluxe Detect

- Deluxe Detect is the result of a partnership with Early Warning Services, LLC, a leader in payment and identity fraud protection.
- Deluxe Detect has access to numerous public and proprietary data sources that are used to verify the applicant's identity while also evaluating the background of the applicant through Early Warning Services.
- Deluxe Detect conducts OFAC-related compliance screening against a list of specially designated individuals and blocked entities published by the Office of Foreign Asset Control (OFAC) that have had economic and/or trade sanctions imposed against them and for which opening an account is generally prohibited by OFAC.
- FFCU can quickly distinguish high-risk applicants from consumers who could potentially represent a profitable relationship to our financial institution with Deluxe Detect.
- Deluxe Detect display results immediately so the credit union can receive timely warnings before an account is opened.

Tools Required

- Deluxe Detect FSR User Guide
 - Identification Verification Warnings and Best Practices
- Early Warning Services Website
 - <https://deluxedetect.deluxe.com>
- Username
 - First Initial + Last Name + Teller Number
 - Ex. jdoe089

Training Requirement

Training is required for any staff member who opens accounts or verifies the identity of a potential member/member.

- ✓ Training is a 27 minute self-paced webinar
- ✓ Here's the link to the self-driven training:
<https://deluxe.webex.com/deluxe/lr.php?AT=pb&SP=TC&rID=4574867&act=pb&rKey=342bba951fb2f3b7>

Important Facts

- Deluxe Detect identifies high-risk applicants, improves compliance, and enables you to open more good accounts.
- Deluxe Detect results appear immediately so that you receive timely warnings-before you open an account.
- Deluxe Detect scrubs the SDN list issued by OFAC
- The inquiry report should be pulled on every member, joint owner, or anyone who will have transaction rights to an account.
- All identity warnings should be cleared by Branch Manager/Operations Manager prior to membership opening.
- If a potential member owes funds to another financial institution, only a savings account may be opened with approval. A checking account should not be opened if a potential/existing member owes funds to another financial institution. No checking account service is provided until the outstanding balance is paid in full.

Processing an Inquiry

For any Deluxe Detect inquiry, the first step is collecting information from the applicant. Deluxe Detect requires a first and last name and at least one of the following:

- ❖ Social Security Number or ID
- ❖ Date of Birth
- ❖ Current Address
- ❖ Phone Number

Family First Credit Union requires you collect and enter all the information listed above. The more information you collect and enter the more comprehensive the results of the inquiry will be. More information equals better results.

Responses Provided

OFAC Match

- Early Warning provides the details of an OFAC match. If the response is not clear or you received a "Fail", contact the BSA Officer Immediately.

DECLINE DECISION MESSAGES

- If a decline message is received on an inquiry due to monies being owed to another financial institution, only a savings account may be opened with approval.
- If a decline message is received on an inquiry for an existing member requesting a checking account because the/she owes another financial institution, the Deluxe Detect warning should be modified to say "Decline – no additional services until monies are Paid In Full (PIF) at other Financial Institution (FI)".
- If a decline message is received due to a keying error on a staff member's behalf, verify the correct information is on the documents provided and proceed with membership opening with approval.
- If a decline message is received due to an identity warning stating "Mail Drop..." the member must provide a utility bill or lease agreement showing the same address.

CAUTION DECISION MESSAGES

If a caution message is received, identify the reasons for the message. Common reasons for caution messages are;

- **Identity Warnings**
 - SSN Does Not Match Last Name – member could have had a life event, marriage, divorce, etc. where there are multiple records under their SSN.

- SSN First Name No Match – member's legal name could be Catherine, but they go by Cathy.
- Invalid Driver's License Format – Passport information entered, extra or missing digit in a Driver's License number, state of issue incorrect, etc.

Identity Warnings must be cleared prior to opening the membership. A copy of the Social Security Card or a letter from the Social Security Administration would satisfy the discrepancy in the case of a Social Security Number mismatch. If the warning is due to a Driver's License error, identify if it is a Credit Union error. If not, ask for another form of identification.

▪ **Match Records**

- If a Match Record only on address and phone number or/and match record is showing paid in full or match record is old (over 2 years old) – be sure to clear the caution prior to opening a checking account.
- If the member still owes funds to another financial institution, no checking account should be opened. If the record was paid, the E-Checking account can be opened.
- If the member has a matched record that is paid in full, the Deluxe Detect warning should be placed at the member level and modified to say, "Caution.....monies Paid In Full (PIF) at other Financial Institution (FI)". The expiration date should be 5 years from the date the outstanding balance was paid-in-full.

PROCEED DECISION MESSAGES

- If a "proceed" message is received and there are no identity warnings the membership/account can be opened with no restrictions.
- If a "proceed" message is received and there are identity warnings, the warnings must be cleared prior to opening the membership.
 - Ex – Social Security Number does not match the member's last name and does not match their first name – the member must provide a copy of their Social Security Card or a letter from the Social Security Administration confirming the number.

HOTFILE MESSAGES

If a **Hot File** response is received, a membership should not be opened and the BSA Officer should be contacted immediately.

Red Flag Identity Reminder

- ✓ Staff should always be on alert for items that raise a "Red Flag".
 - Identity Warnings
 - Match Records that cannot be cleared
- ✓ If a Red Flag is detected, complete the Suspicious Activity Report. Obtain additional information or documentation (if needed) and forward the information to the Compliance Officer.

Adverse Action Notice

Provide the member with an **Adverse Action Notice** from Deluxe Detect if you receive a **Decline – Review FCRA Flag** in the Decision Message. ***Do not open the account unless a manager approves the account to be opened with explanation.***

FFCU Deluxe Detect Policy and Procedures

Approved by Board of Directors Date _____

Policy Updated Date _____