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## Compliance with FACT Act Identity Theft Red Flags Rule

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Compliance Coach Inc., a provider of automated regulatory compliance solutions to the financial services industry, has launched CompliancePal a revolutionary Web-based software that enables easy and complete compliance with the new FACT Act Identity Theft Red Flags Rule.

The regulation was issued to combat identity theft, a growing concern to consumers. According to the Federal Trade Commission (FTC), each year:

- 8.3 million people fall victim to identity theft; and
- \$15.6 billion in losses are caused by fraudsters.

The Federal regulation imposes new responsibilities on businesses to prevent consumer identity theft. The impact is broad and the rule affects every single bank, credit union, mortgage lender, auto dealer, credit card lender, payday lender, landlord, utility company, phone company, and any consumer or small business lender in the country.

By November 1, 2008, the compliance deadline, each affected entity must perform a risk assessment, and take numerous steps to develop and implement an appropriate written Identity Theft Prevention Program. Failure to comply can lead to civil money penalty for each violation, regulatory enforcement action, private plaintiff lawsuits, negative publicity and loss of business.

"CompliancePal is an extremely easy-to-use and cost-effective solution," said Sai Huda, chairman and CEO, Compliance Coach. "Our team of legal, compliance and technology experts have meticulously designed the software to enable compliance quickly, easily and save hundreds of hours and thousands of dollars."

"A financial institution or creditor can use CompliancePal's unique five-step system to get into and stay in compliance," continued Huda. "Without CompliancePal, an entity will struggle to get into compliance by the November deadline, wasting valuable time and money. In addition, companies trying to comply on their own will not likely have the expertise and resources to stay on top of new identity theft risks and will not be able to update their program periodically as mandated by the rule."

#### To achieve compliance with the Identity Theft Red Flags Rule, each company must:

- Identify all of the accounts it offers that are covered by the Rule
- Perform a risk assessment of each covered account
- Identify red flags for each account that may indicate possible identity theft
- Map each red flag to appropriate detection and response procedures
- Develop a written program and obtain board of directors approval
- Provide training to appropriate employees
- Monitor for new identity theft red flags and new risks
- Make appropriate changes in procedures and update the program
- Provide a compliance status report at least annually

CompliancePal is a one-stop solution that walks the user through a series of questions and produces: the required risk assessment, the mapping of red flags to appropriate detection and response procedures, the written program, the training materials and the compliance status report, everything necessary to pass an audit. CompliancePal is also updated regularly for new identity theft schemes and red flags. To use the solution, companies affected by the new regulation simply sign-up online and access the software via the Internet.

Compliance Coach is a leading provider of automated regulatory compliance solutions to the financial services industry. Five of the top 10 banks and hundreds of financial institutions throughout the U.S. rely on Compliance Coach's solutions and services to mitigate compliance risk.

Compliance Coach provides risk assessment software, e-learning and other tools to enable compliance with applicable laws and regulations. Its products and services are supported by an in-house team of nationally recognized legal, compliance and technology experts. CompliancePal is the company's latest revolutionary web-based software that uses a unique five step system to enable compliance with the new FACT Act Identity Theft Red Flags Rule, quicker and easier.

The company is privately held and venture capital backed by four of the top 10 banks: Wells Fargo, Bank of America, Citigroup and Washington Mutual are the company's primary investors. It is based in San Diego, California and has a regulatory relations office in Washington, D.C.

For further information, visit [www.compliancecoach.com](http://www.compliancecoach.com)



Sai Huda  
Chairman and CEO  
Compliance Coach