

FARM CREDIT SERVICES USES COMPLYID TO FIGHT IDENTITY THEFT

CSC's ComplyID Web service automatically identifies red flags, speeding up loan processing and assuring compliance with FACT regulations.

CASE STUDY

Client:

Farm Credit Services of Mid-America

Challenge:

Comply with new FACT Act of 2003 federal regulations; automate detection and resolution of potential identity fraud attempts in the credit transaction process.

Solution:

ComplyID, CSC's Web-based decision and workflow software service.

Results:

FCS has met federal regulations, and has streamlined and automated its credit reporting process, with improved red flag and identity theft detection.

For More Information:

Learn more about ComplyID at www.csc.com/complyid.

Fighting identity theft and complying with new credit reporting regulations can be daunting for lenders. ComplyID, a Web-based service from CSC, helps automate the process, leaving little to chance while delivering significant business benefits.

Farm Credit Services of Mid-America (FCS) is using ComplyID to identify suspicious activities as well as improve workflow and business processes. CSC developed the service as a decision and workflow solution to help companies comply with regulations added last year to the FACT (Fair and Accurate Credit Transaction) Act of 2003, a law designed to reduce identify theft.

Red flag alert

FCS of Mid-America is a \$15.5 billion financial services cooperative serving over 85,500 farmers, agribusinesses and rural residents in Kentucky, Ohio, Indiana and Tennessee. As part of the FACT Act, new "Red Flag Rules" went into effect in November 2008 requiring lenders to comply with standardized tracking and reporting practices.

At FCS, ComplyID serves as an effective ID validation service. In addition, ComplyID significantly streamlines their entire credit reporting process. According to Janice Smith, director of Credit Desk Loan Underwriting at FCS, "ComplyID allows us to manage our process more efficiently."

Before implementing ComplyID, FCS employees tracked down red flags manually. This meant relying on individual underwriters and sales staff to catch potential problems with loan applications. ComplyID's workflow system automatically identifies red flags and sends alerts to the appropriate staff member to take action. Smith says, "The flexibility is there to have the appropriate people access the system when needed."

CSC worked closely with FCS to build a custom detection list, choosing from some 240 red flags. These include suspicious identifying information or discrepancies with a customer's address. Upon detection of a red flag, ComplyID automatically verifies, validates and resolves discrepancies using multiple data sources. The system also equips lenders and creditors with a powerful toolkit to quickly analyze and resolve loan processing delays.

Smith says the best benefit of the system is the automation. "From the standpoint of risk management, ComplyID ensures that we have a more controlled follow-up on the red flags that are found on the credit bureau reports," she says. "When we see those, we can make sure the appropriate staff is notified to follow up with a customer."

Consistent compliance

ComplyID is a standalone service that

CASE STUDY

FARM CREDIT SERVICES USES COMPLYID TO FIGHT IDENTIFY THEFT (CONT.)

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has a variety of third-party resolution tools built into it. Paul Holguin, a senior manager in CSC's Credit Services division, says the product was designed to meet the specific compliance requirements of lenders. "Lenders have to have a program that is able to detect red flags and resolve them, and most lenders do not have an automated way of finding these," says Holguin. "There's a compliance piece to it, but more importantly, from a business standpoint, there's an operational component."

Holguin says ComplyID provides consistency for analyzing all credit reports to see if they meet a lender's credit rules and risk policies. "There's a risk of exposure if all the flags are not picked up or if they are not picked up consistently," he says. "They know if there are issues found, it's going to be routed to people who know what to do

with it, and ComplyID does so in an automated fashion."

ComplyID also provides resolution, tracking and reporting components that FCS finds beneficial. In addition to FCS, other ComplyID customers include mortgage lenders, banks, credit unions, auto dealers and credit/debit card organizations. The automated service supplies an audit trail of what has moved through the system, and generates reports showing monthly activities for each account.

In addition to implementing ComplyID, CSC provides ongoing support for the service. Smith says, "CSC has been very helpful in resolving issues and in looking for ways to better manage the process." Holguin adds, "We have not run across another platform out there in the marketplace that does what ComplyID does."