

# NATIONAL MORTGAGE NEWS

## ID ANALYTICS FOR COMPLIANCE ENABLES CREDITORS TO SATISFY RED-FLAG DISCREPANCIES

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*By James Comtois*

As a means of enabling creditors to satisfy red-flag rules and address discrepancy compliance without impacting the consumer experience, ID Analytics Inc., a real-time risk mitigation technology firm, has released a new analytical tool designed to support sound red-flag compliance practices while avoiding unnecessary costs and consumer delays.

This new tool, ID Analytics for Compliance, delivers the unique insight organizations need to comply with these new regulations by the November 2008 deadline.

"The red-flags rule is part of a trend that says organizations have responsibility for the information they carry on behalf of consumers and part of that responsibility is to properly investigate risk," said Tom Oscherwitz, vice president of government affairs for ID Analytics. "It's not a one-step process. We need a solution that can to adapt to changing risks that can detect and prevent these risks."

"Today's consumers face a wider variety of identity fraud threats than ever before. Businesses must do their part to protect against identity theft while maintaining a high quality, seamless business experience for legitimate consumers," said Todd Higginson, director of product marketing, ID Analytics.

The red-flag rules, which went into effect in January 2008, were created to protect consumers and creditors from the detrimental impact of identity fraud. Creditors across all industries must develop and implement written programs that specify how indications of identity theft will be detected and resolved during normal business operations.

Manual resolution of red-flag indications will have the unintended consequence of creating cumbersome review procedures that escalate operational costs for the organizations in question.

In addition to resolving red flags, ID Analytics for Compliance provides resolution for address discrepancies during new account origination and change of address requests for existing accounts as required by the Fair and Accurate Credit Transactions Act.

"By resolving red flags without manual intervention, ID Analytics for Compliance minimizes the use of time-consuming review processes that drive customers away. Technologies that detect and do not resolve red flags will create problems, not solutions, for creditors," Mr. Higginson added.

Given that more than 40 million Americans change their address annually and millions more have address discrepancies across credit bureaus, ID Analytics has delivered a practical approach to regulatory compliance that relies on accurate, up-to-date information and a unique perspective of identity risk.

"Every year, the FTC posts a total of 250,000 self-reported cases of identity theft. Our database shows eight times more the number of cases of fraud than consumers are reporting to the FTC on an annual basis," added Mr. Oscherwitz.

ID Analytics for Compliance leverages the ID Network, its real-time, cross-industry compilation of identity information, to seamlessly resolve red-flag indications for individuals who ultimately have a low risk of falling victim to identity theft.

The Advanced Analytics used by ID Analytics for Compliance are already in use by several companies and financial institutions having proved their ability to lower manual review rates by up to 50%. Fewer manual reviews translate into lower operational costs, an improved customer experience and protection of consumer privacy.