



Compliance Corner

FEDERAL RESERVE BANK OF PHILADELPHIA

Prepared for institutions supervised by the Consumer Compliance & CRA Unit

Checking In With Check 21

by Robert W. Snarr, Jr, Supervising Examiner

The *Check Clearing for the 21st Century Act*, commonly known as the Check 21 Act or Check 21, was enacted on October 28, 2003 and became effective a year later on October 28, 2004.¹ Initiatives that led to the enactment of Check 21 began during 2000 within a context of increasing electronic payments and available technology that would enable more efficient and cost effective check processing. In particular, the physical transport of paper checks could be eliminated and, instead, digital images of the original checks or, when necessary, substitute checks made from digital images of the originals, could facilitate check processing. Such initiatives were intensified and accelerated subsequent to the terrorist attacks of September 11, 2001, when all air traffic in the United States was grounded, resulting in a substantial

delay in the processing of millions of checks.

On July 26, 2004, the Board of Governors of the Federal Reserve System released its final rule that amended Regulation CC, *Availability of Funds and Collection of Checks*, to implement Check 21. In essence, Check 21 facilitates electronic check exchange, and, where applicable, permits banks² to create substitute checks for presentment and transfer to those banks that have not formally agreed to accept checks electronically. The provisions of Check 21 address various responsibilities and requirements on the part

² For purposes of this article, the term bank is used in context of Regulation CC's definition of banks and includes federally insured commercial banks, mutual savings banks, savings banks, credit unions, savings associations, agencies or branches of foreign banks, and members of a Federal Home Loan Bank. The term also includes any entity engaged in the business of banking, such as a Federal Reserve Bank, Federal Home Loan Bank, and to the extent that they act as a paying bank, the U.S. Treasury and the U.S. Postal Service.

¹ *Check Clearing for the 21st Century Act* is available on the GPO's website at <frwebgate.access.gpo.gov/cgi-bin/useftp.cgi?IPaddress=162.140.64.88&filename=publ100.pdf&directory=/diskb/wais/data/108_cong_public_laws>.

IN THIS ISSUE

Checking In With Check 21.....CC1

Debt Cancellation Contracts and Debt Suspension Agreements: Consumer Products Raise Industry Interest—Part IICC4

Check 21: It's Not Just an Operations Issue Think: Consumer Compliance!.....CC8

CIRCULATE TO:

- Compliance Officer
- Compliance Manager
- Compliance Staff
- _____
- _____
- _____

of banks regarding the operational aspects of check truncation and related consumer protections. Consumer protection provisions of Check 21 fall into two broad categories—consumer awareness disclosures and consumer expedited recrediting rights.

By now, all banks should have implemented the procedures and mechanisms necessary to effectively comply with all applicable provisions of Check 21. The purpose of this article is to provide guidance to help banks comply with the provisions of Check 21 that address consumer protections and to offer helpful tips to banks to mitigate related compliance, legal, and reputational risks.

Consumer Awareness Disclosure

The consumer awareness disclosure requirements of Check 21 under §229.57 of Regulation CC apply to consumer customer accounts only, and not to business customer accounts.³ Further, when the consumer account is jointly held, a bank is *not* required to provide separate disclosures to each customer.

Section 229.57 requires banks to provide customers written disclosures that describe substitute checks and the rights of customers relative to such checks. The disclosures must be provided to customers who:

- Routinely receive paid checks⁴ with their respective account statements.
- Receive a paid substitute check in response to a request for a paid check.
- Receive returned substitute checks.
- Receive a substitute check, irrespective of whether the customer was provided the disclosure earlier.

Customers that had an existing consumer account with a bank on or before October 28, 2004, should receive or should have received the requisite disclosures no later than the first statement cycle subsequent to October 28, 2004. Customers that established a consumer account relationship with a bank going forward should be provided disclosures at the date that the relationship is initiated.

For customers that receive substitute checks in response to a request or on an occasional basis, the written disclosures must be provided no later than the date on which the bank provides the substitute check. In the case

of substitute checks that are provided in response to a customer's request, the disclosures should be provided at the time of the request, if feasible.

The content of the written disclosures must explain both of the following elements.

- That a substitute check is the legal equivalent of the original check.
- That a consumer has expedited recrediting rights, with a description of those rights, in the event that a consumer believes in good faith that a substitute check was improperly charged to his or her account.

Appendix C of Regulation CC contains a model disclosure (Model C-5A) to comply with the requisite consumer awareness disclosure requirements. A bank that uses Model C-5A will be deemed to be in compliance with the disclosure requirements provided that the model language accurately describes an institution's procedures.

Provisions for Expedited Recredits to Consumer Accounts

Section 229.54 of Regulation CC addresses expedited recrediting rights for customers. The recrediting rights apply only to those customers who have received a substitute check. Moreover, the expedited recrediting rights apply only to checks charged to consumer deposit accounts. Generally, they do not apply to credit card checks, checks that are drawn on a home equity line of credit, or checks drawn on a brokerage clearing account. However, the recrediting rights would generally apply when a customer deposits such a check into a deposit account, and the check was returned unpaid to the

³ Based on the definition of consumer account in Regulation CC, a consumer customer, for purposes of the regulation, means any natural person who deposits a check into, cashes a check against, or draws a check on a deposit account that he or she uses primarily for personal or household purposes.

⁴ The disclosure requirement does not apply if a bank provides with an account statement something other than paid original checks, paid substitute checks, or some combination of original and substitute checks. For example, the requirement does not apply to banks that provide customers with account statements together with only a document that contains multiple images of checks transacted during a given statement period.

customer as a substitute check.

To invoke the provisions which govern expedited recrediting under §229.54, a customer must make a claim in good faith, with supporting documentation, that addresses all of the following elements.

- His or her account was charged for a substitute check.
- His or her account was improperly charged or that he or she has a warranty claim related to the substitute check.
- He or she suffered a loss.
- He or she needs the original check or a sufficient copy to determine the validity of the claim.

A customer claim must be filed such that the bank receives it within 40 calendar days⁵ from the date that the bank mailed, or delivered by a means agreed to by the customer, the account statement or the check

⁵ Regulation CC requires banks to extend the time limit in extenuating circumstances. In addition, a bank may choose to extend the 40-day time period to parallel the 60-day claim period under Regulation E regarding claims for disputed electronic fund transfers. Also, Regulation CC holds that a complaint or inquiry from a customer is not a claim for purposes of expedited re-crediting until the claim is complete. As such, the time period for a bank to respond begins when a customer submits a “complete” claim. However, it is the duty of the bank to inform the customer that a complaint is incomplete and identify what information is necessary for a complete claim.

that gave rise to the claim. Should a bank require that a claim be in writing,⁶ and a customer attempts to submit a claim orally, the bank must inform the customer of the requirement for a written claim at the time that the customer attempts an oral claim. Under Regulation CC, a customer must submit a written claim such that the bank receives it within the later of (i) 10 business days of the date of notification by the bank of the written claim requirement or (ii) the aforementioned 40-calendar-day time period.⁷

In responding to a customer’s claim, a bank must take one of the following actions.

- Approve the customer’s claim and send a notice of recredit no later than the business day after the banking day on which the bank recredits the customer’s account.
- Deny the customer’s claim and provide a notice to the customer that demonstrates why the claim is not valid. The notice must be sent no later than one business day after the banking day on which the bank made the determination.

⁶ Applicable consumer awareness disclosures should inform customers of a bank’s requirement for written claims.

⁷ If a customer makes an oral claim within the 40-calendar-day period, and the customer ultimately meets the 10-business-day written notification requirement, under Regulation CC, the customer’s claim is deemed timely even if the written claim is received by the bank after the 40-calendar-day period.

- Provisionally recredit the customer’s account pending further investigation as to the validity of the claim and provide a notice of the provisional recredit. The notice must be sent no later than the business day on which the bank actually recredits the customer’s account.

If a bank provisionally recredits a customer’s account pending further investigation, the bank is required to recredit the amount of the customer’s loss up to the amount of the substitute check or \$2,500, whichever is less. If during its investigation the bank determines that the customer’s claim is valid, the bank must recredit any remaining amount, plus any applicable interest, no later than the 45th day after receiving the claim.

If a bank determines that the claim was not valid, the bank may reverse the applicable provisional recredit. In so doing, the bank must provide a notice of reversal no later than the business day after the banking day on which the bank makes the reversal.

Similar to the consumer awareness disclosure requirements, Appendix C of Regulation CC contains various model disclosures to comply with the regulation’s expedited re-credit rights provisions. However, unlike the consumer awareness disclosure model C-5A, the use of the expedited recredit model forms does not provide banks with a statutory safe harbor.

Guidance for Mitigating Compliance, Legal, and Reputational Risks

Most banks have likely provided customers with the consumer aware-

continued on page CC9

Debt Cancellation Contracts and Debt Suspension Agreements: Consumer Products Raise Industry Interest—Part II

by Frederick W. Stakelbeck, Jr., Staff and Career Development Coordinator
and Anne Stanley, Executive Assistant to the President

The Third Quarter 2004 issue of *Compliance Corner* contained the first installment of an informational paper that discussed debt cancellation contracts (DCCs) and debt suspension agreements (DSAs), including comparisons of DCCs and DSAs to credit insurance programs. As part of the discussion, the respective definitions and features of DCCs and DSAs were presented, together with arguments by proponents and opponents of DCCs and DSAs.

The final installment of this paper examines consumer protections relative to DCCs and DSAs, and contains an appendix of model disclosure forms approved and issued by the OCC that a financial institution may use to comply with the OCC's regulation that governs DCCs and DSAs (12 CFR 37).¹

Consumer Protections

The OCC regulation includes several important consumer protections designed to provide additional information to a consumer prior to the approval of a credit protection agreement. These new protections include the following.

- A prohibition against conditioning the availability of credit upon a customer's purchase of a DCC or DSA, commonly known as tying.
- A ban on misleading practices and misleading advertising.
- A requirement that the consumer be notified of any modification of an existing DCC or DSA agreement that involves additional charges in sufficient time to terminate the account, if they choose to do so.
- A requirement for national banks to make mandatory disclosures to customers prior to the purchase of a DCC or DSA product.

Customer disclosures relating to the purchase and sale of DCC and DSA products comprise a significant portion of the new regulation. Specifically, disclosure requirements designed to protect consumers in the purchase of these products now include the following.

- Notification to consumers of the prohibition on tying, which disallows banks from requiring that consumers purchase a DCC or DSA agreement as a precondition of getting the credit card.
- Explanation that a DSA, if acti-

vated, does not cancel a debt, but only suspends the requirement to make payments.

- Disclosure of the amount of fees charged for the product purchased.
- Notification of the option to pay in a lump sum or periodically for a DCC or DSA product.
- Disclosure of the refund policy, if the fee is paid in a lump sum or added to the amount borrowed.
- Notice that customers will be prevented from using the credit card's credit line if the DCC or DSA is activated.
- Explanation of eligibility requirements and the conditions and exclusions that may affect a customer's ability to purchase or obtain benefits through a DCC or DSA.

The required disclosures must be given in either long or short form. Sample formats appear at the end of this article. Short form disclosures may be used in advertisements, telephone sales, and take-ones, while long form disclosures apply to person-to-person solicitations. Verbal affirmation of an agreement to purchase a DCC or DSA is acceptable in telephone sales.

¹ The final rule is available on the OCC's website at <www.occ.treas.gov/ftp/release/2002-73.pdf>.

In a press release announcing the rule change, former Comptroller of the Currency John D. Hawke, Jr. voiced his support for the new consumer protections, noting, "The rule we have approved today prohibits or restricts bank practices that have the greatest potential for abuse and also requires banks to provide disclosures on issues that are likely to be most important to customers in deciding to purchase these products."²

Interestingly, the new regulation does not impose price controls or loss reserve requirements on national banks. The OCC decided not to impose price controls, since

evidence supporting a link between the DCC and DSA market to difficulties attributed to credit insurance products could not be proven. As an alternative, the OCC decided to rely on an existing regulation that allows banks to set non-interest charges and fees competitively in accordance with safe and sound banking principles. Moreover, national banks are not required to establish a reserve for DCC and DSA contracts or to purchase a contingent liability policy. However, national banks are expected to establish and maintain risk management and control processes.

Conclusion

A number of credit card issuers are considering DCC and DSA programs as a method to enhance product diversity and to meet changing customer expectations. Comments provided by industry observers and

banking regulators indicate that the sale of DCCs and DSAs is likely to grow in importance. The Federal Reserve has indicated that anecdotal evidence suggests that the sale of these products in lieu of credit insurance has increased and that coverage is expanding. In light of these developments, the standards outlined by the OCC for the purchase and sale of DCC and DSA products will benefit credit card issuing banks searching for product diversification. The OCC's regulation also clearly defines DCCs and DSAs as national banking products, not insurance products, essentially ending the lengthy debate regarding state regulatory authority and supervision. In the end, credit card customers may view DCC and DSA products as a valuable alternative in an uncertain economy. ■

² OCC, NR 2002-73, September 17, 2002, <www.occ.treas.gov/ftp/release/2002-73.pdf>.

Sample Short Form Disclosure

This Product is Optional

Your purchase of [PRODUCT NAME] is optional. Whether or not you purchase [PRODUCT NAME] will not affect your application for credit or the terms of any existing credit agreement you have with the bank.

Lump Sum Payment of Fee

*[Applicable if a bank offers the option to pay the fee in a single payment]
[Prohibited where the debt subject to the contract is a residential mortgage loan]*

You may choose to pay the fee in a single lump sum or in [monthly/quarterly] payments. Adding the lump sum of the fee to the amount you borrow will increase the cost of [PRODUCT NAME].

Lump Sum Payment of Fee with no Refund

*[Applicable if a bank offers the option to pay the fee in a single payment for a no-refund DCC]
[Prohibited where the debt subject to the contract is a residential mortgage loan]*

You may choose [PRODUCT NAME] with a refund provision or without a refund provision. Prices of refund and no-refund products are likely to differ.

continued on next page

Sample Short Form Disclosure *(continued)*

Refund of Fee Paid in Lump Sum

[Applicable where the customer pays the fee in a single payment and the fee is added to the amount borrowed]

[Prohibited where the debt subject to the contract is a residential mortgage loan]

[Either:] (1) You may cancel [PRODUCT NAME] at any time and receive a refund; **or** (2) You may cancel [PRODUCT NAME] within ____ days and receive a full refund; **or** (3) If you cancel [PRODUCT NAME] you will not receive a refund.

Additional Disclosures

We will give you additional information before you are required to pay for [PRODUCT NAME]. [If Applicable: This information will include a copy of the contract containing the terms of [PRODUCT NAME].]

Eligibility Requirements, Conditions, and Exclusions

There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under [PRODUCT NAME]

[Either:] You should carefully read our additional information for a full explanation of the terms of [PRODUCT NAME] **or** You should carefully read the contract for a full explanation of the terms of [PRODUCT NAME].

Sample Long Form Disclosure

This Product is Optional

Your purchase of [PRODUCT NAME] is optional. Whether or not you purchase [PRODUCT NAME] will not affect your application for credit or the terms of any existing credit agreement you have with the bank.

Explanation of Debt Suspension Agreement

[Applicable if the contract has a debt suspension feature]

If [PRODUCT NAME] is activated, your duty to pay the loan principal and interest to the bank is only suspended. You must fully repay the loan after the period of suspension has expired. [If applicable: This includes interest accumulated during the period of suspension.]

Amount of Fee

[For closed-end credit:] The total fee for [PRODUCT NAME] is \$ _____ .

[For Open-end credit, either:] (1) The monthly fee for [PRODUCT NAME] is based on your account balance each month multiplied by the unit-cost, which is _____ ; **or** (2) The formula used to compute the fee is _____ .

continued on next page

Sample Long Form Disclosure (continued)

Lump Sum Payment of Fee

[Applicable if a bank offers the option to pay the fee in a single payment]

[Prohibited where the debt subject to the contract is a residential mortgage loan]

You may choose to pay the fee in a single lump sum or in [monthly/quarterly] payments. Adding the lump sum of the fee to the amount you borrow will increase the cost of [PRODUCT NAME].

Lump Sum Payment of Fee with No Refund

[Applicable if a bank offers the option to pay the fee in a single payment for no-refund DCC]

[Prohibited where the debt subject to the contract is a residential mortgage loan]

You have the option to purchase [PRODUCT NAME] that includes a refund of the unearned portion of the fee if you terminate the contract or prepay the loan in full prior to the scheduled termination date. Prices of refund and no-refund products may differ.

Refund of Fee Paid in Lump Sum

[Applicable where the customer pays the fee in a single payment and the fee is added to the amount borrowed]

[Prohibited where the debt subject to the contract is a residential mortgage loan]

[Either:] (1) You may cancel [PRODUCT NAME] at any time and receive a refund; **or** (2) You may cancel [PRODUCT NAME] within _____ days and receive a full refund; **or** (3) If you cancel [PRODUCT NAME] you will not receive a refund.

Use of Card or Credit Line Restricted

[Applicable if the contract restricts use of card or credit line when customer activates protection]

If [PRODUCT NAME] is activated, you will be unable to incur additional charges on the credit card or use the credit line.

Termination of [PRODUCT NAME]

[Either:] (1) You have no right to cancel [PRODUCT NAME]; **or** (2) You have the right to cancel [PRODUCT NAME] in the following circumstances: _____ .

[And either:] (1) The bank has no right to cancel [PRODUCT NAME]; **or** (2) The bank has the right to cancel [PRODUCT NAME] in the following circumstances: _____ .

Eligibility Requirements, Conditions, and Exclusions

There are eligibility requirements, conditions, and exclusions that could prevent you from receiving benefits under [PRODUCT NAME].

[Either:] (1) The following is a summary of the eligibility requirements, conditions, and exclusions. *[The bank provides a summary of any eligibility requirements, conditions, and exclusions];* **or** (2) You may find a complete explanation of the eligibility requirements, conditions, and exclusions in paragraphs _____ of the [PRODUCT NAME] agreement.

Check 21: It's Not Just an Operations Issue Think: Consumer Compliance!

In October 2004, the FFIEC¹ introduced a web-based training tool to provide bankers and examiners with resources to further their understanding of the compliance implications of the *Check Clearing for the 21st Century Act* (Check 21). This tool is available on the FFIEC web site at <www.ffiec.gov/exam/check21/default.htm>.

The five modules in this tool provide (i) an overview of the Check 21 Act and the final implementing regulation, (ii) a pictorial and narrative discussion of how checks will clear, (iii) a review of consumer compliance issues, (iv) a summary of the procedures that examiners will follow when confirming financial institution compliance with the Act, and (v) a

summary of the major elements in the presentation.

To begin the Flash presentations, which require Flash Player 4.0 or higher to view and hear the presentations, go to the web site and click on the link to the module you wish to review. The modules can be viewed in sequence or in any order. If you do not have Flash Player 4.0 or higher, you can still view a printable script with the color slides by clicking on the Printable Script link.

The site also provides additional reference material, such as links to narrative on *Check Clearing for the 21st Century Act: Foundation for Check 21 Compliance Training*, a link to the legislation, and a link to the final Regulation CC. Links to the actual examination procedures, frequently asked questions, a glossary, and other information resources are also available. The other information resources include links to the home pages of the five FFIEC regulatory agencies, industry websites that contain useful information on Check 21, printable files for the *Check Clearing for the 21st Century Act*, the final rule, and various congressional reports.

Questions regarding the content and/or administration of the FFIEC

Audio/Slide Presentations

Modules

1. Overview of the Act and Final Regulation (10 minutes)
2. Check Clearing Under Check 21 (3 minutes)
3. Consumer Compliance Issues (10 minutes)
4. Examination Issues (3 minutes)
5. Summary (3 minutes)

Viewing Flash Presentations

Printable Script

Training Materials

- Check Clearing for the 21st Century Act: Foundation for Check 21 Compliance Training
 - Public Law 108 -100
 - Final Rule-Regulation CC
-
-

Check 21 Infobase web site should be directed to FFIEC staff at:

Telephone: (703) 516-5588

Web: www.ffiec.gov

Email: FFIECfeedback@FDIC.gov ■

¹ The Federal Financial Institutions Examination Council (FFIEC) is a formal inter-agency body empowered to prescribe uniform principles, standards, and report forms for the federal examination of financial institutions by the Board of Governors of the Federal Reserve System (FRB), the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS) and to make recommendations to promote uniformity in the supervision of financial institutions.

“Checking In With Check 21” *continued from page CC3*

ness disclosures regarding Check 21 and have implemented procedures to effectively address expedited recrediting rights of consumers. In fact, many banks provided their customers with multiple notifications of Check 21 and its ramifications several months prior to the October 28, 2004 effective date.

Despite such measures, Check 21 represents a major change to the nation's payments system as most consumers have known it. Although the overall effect of Check 21 will likely be gradual, it is probably safe to assume that many consumers will find it a challenge to adjust to the faster check clearing times. Some within the financial services industry have opined that Check 21 portends a substantial increase in the volume of bounced checks during the first months after Check 21 becomes effective. In particular, *The Wall Street Journal* reported one source as estimating that, by the middle of 2005, the number of bounced checks might increase by seven million each month, potentially resulting in an additional \$175 million in penalty fees to consumers.⁸

The following guidance should help reduce compliance, legal, and reputational risks regarding Check 21, particularly during the initial months of the law's inception.

- Be aware of **examination procedures** that have been approved and issued by the Federal Financial Institutions Examination Council (FFIEC) to evaluate a bank's compliance with the consumer protection provisions of Regulation CC.

The procedures are available on the FFIEC's web site at <www.ffiec.gov/exam/check21/documents/Reg%20CC%20Exam%20Proc.doc>. A bank's compliance or internal audit staff should be familiar with the procedures and its compliance program should include adequate coverage of the more recent revisions to Regulation CC.

As might be expected, the procedures focus on (i) determining a bank's compliance with the regulation's content and timing requirements regarding consumer awareness disclosures and (ii) ascertaining a bank's compliance with the requirements to address customer claims regarding substitute check expedited recredits.

- Implement procedures to ensure that your bank effectively complies with **consumer awareness disclosure requirements** of Regulation CC on an ongoing basis. When opening new accounts and establishing new customer relationships, adequate resources should be allocated among the bank's branch office network and deposit operations, as applicable, to ensure that requisite notifications are provided to customers

at the time that an account or relationship is initiated.

- Implement adequate procedures or processes to address and resolve **Check 21-related consumer inquiries, complaints, and claims** in an effective and timely manner. Staff should be adequately trained and available to respond to complaints within the recredit timeframes established by Regulation CC.

The number of exceptions to the recredit time frames established by Regulation CC should be minimal, and the reason(s) for exceptions should be sufficiently documented.

If form letters or correspondence are used in the expedited recrediting process, language and terms used should be clear and understandable. Appendix C to Regulation CC contains model disclosures.

Any applicable time frames that the customer is expected to abide by should be clearly identified in any correspondence provided to the customer.

Customer complaint procedures should be effectively integrated with and coordinated among the bank's branch office network, deposit operations, and legal or compliance functions, as applicable.

Customer complaint procedures should include adequate track-

⁸ Kathy Chu, "Identity Theft Could Impede Victims' Banking," *The Wall Street Journal*, October 26, 2004, p. D2.

ing or reporting mechanisms to document a complaint or inquiry from the date received until the date resolved.

Tracking or reporting mechanisms should enable the identification of any inadequate, ineffective, or inefficient aspects of a bank's existing customer complaint procedures or patterns that might warrant management's attention.

- Develop **training procedures** to effectively instruct current and new employees of the revisions to Regulation CC and any Check 21-related changes to the bank's deposit operations or other applicable operations. It is recommended that a bank document any initial and ongoing training

efforts, including the dates and scope of training provided. It is also recommended that a bank ensure that training is provided to all staff who are responsible for compliance with Check 21 and Regulation CC, including staff in the branch office networks, deposit operations, and legal and marketing functions.

- If a bank offers a non-contractual **courtesy overdraft checking program**, it may be prudent to monitor customer usage of the program for substantial increases in overdrafts and the imposition of overdraft fees during the remainder of 2004 and the early months of 2005. Depending upon the feedback of such monitoring, a bank may wish to provide a higher level of assistance to customers to avoid substantially increased overdrafts and resultant overdraft fees as they adjust to a more rapid check clearing process.

Final Thoughts

Check 21, which facilitates the nation's transition to electronic check processing, has arrived. Regulation

CC, which implements many provisions of Check 21, does not, in any way, mandate check truncation or check destruction. Rather, the regulation governs a negotiable instrument known as a substitute check, which is the legal equivalent of an original check.

In addition to protecting recipients of substitute checks through expedited recrediting rights, Regulation CC also contains provisions regarding mandatory consumer awareness disclosures. Bankers and others within the financial services industry should be familiar with the provisions of Regulation CC that implement Check 21. In this regard, the FFIEC Check 21 Compliance Information for Examiners and Industry InfoBase should be a valuable resource. Additional information on this tool appears elsewhere in this issue of *Compliance Corner*.

If you have any questions about this article or the consumer compliance implications of Check 21, please contact either Supervising Examiner John D. Fields (john.d.fields@phil.frb.org) or Supervising Examiner Robert W. Snarr, Jr. (robert.snarr@phil.frb.org) through the Regulations Assistance Line at (215) 574-6568. ■



FEDERAL RESERVE BANK
OF PHILADELPHIA

The views expressed in this newsletter are those of the authors and are not necessarily those of this Reserve Bank or the Federal Reserve System.

Editor.....Cynthia L. Course

Compliance Corner is published quarterly and is distributed via *SRC Insights* to institutions supervised by the Federal Reserve Bank of Philadelphia. *SRC Insights* is available on the Federal Reserve Bank's web site at www.philadelphiafed.org. Suggestions, comments, and requests for back issues are welcome in writing, by telephone (215-574-3760), or by e-mail (cynthia.course@phil.frb.org). Please address all correspondence to: Cynthia L. Course, Federal Reserve Bank of Philadelphia, SRC - 7th Floor, Ten Independence Mall, Philadelphia, PA 19106-1574.