

Resources

Red Flags Rule Implementation Delayed To January 1, 2011

June 2, 2010

Responding to requests from several members of Congress, the FTC has announced that it will again delay implementation of the Red Flags Rule, with the new effective date of January 1, 2011. Enforcement of the Rule had been scheduled to begin June 1, 2010.

The Red Flags Rule was promulgated as a result of the Fair and Accurate Credit Transactions Act (FACTA) and is designed to help address the growing problem of identity theft. For a more detailed discussion of the Red Flags Rule and previous implementation delays, see our previous CFS Alerts regarding the Red Flags Rule.

Notwithstanding the FTC's announcement, the Red Flags Rule's original effective date of November 1, 2008 continues to apply to financial institutions and creditors subject to oversight by the federal banking agencies. Additionally, the provisions of the Red Flags Rule relating to address discrepancies for users of consumer reports and those relating to address changes applicable to card issuers remain in effect.

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If you have any questions regarding this Consumer Financial Services Alert, the Red Flags Rule or the FACTA, you may contact **Richard Gottlieb**, director of the Financial Industry Group, at 312-627-2196, or **Arthur Axelson**, the author of this alert and leader of Dykema's Financial Services Regulatory Practice, at 202-906-8607.

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