

FTC'S ENFORCEMENT OF THE RED FLAGS RULE DELAYED TO JUNE 1, 2010

Insights
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On October 29, 2009, we alerted schools to the looming November 1, 2009 deadline of the Federal Trade Commission's Red Flags Rule. This rule was implemented by the Federal Trade Commission (FTC) and mandates that financial institutions and creditors with covered accounts develop and implement a written program that detects, prevents, and mitigates identity theft. On October 30, 2009, the FTC posted a notice on its website that it was delaying enforcement of the Red Flags Rule until June 1, 2010. We will keep you posted on the status of the FTC's actions. However, because most private schools' tuition payment practices place them squarely within the definition of a "creditor with covered accounts," thus requiring implementation of an Identity Theft Program, we recommend that you become familiar with the [FTC's guidelines](#) so you won't be in a rush next June. It is also important to note that while the FTC has delayed *enforcement* of the Red Flags Rule, "creditors with covered accounts" should technically be in compliance with the rule today.