



## **TEXAS DEPARTMENT OF BANKING**

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### **INDUSTRY NOTICE 2008-01**

*Date: March 18, 2008*

### **Closed Account Notification System**

To: Financial Institutions Operating In Texas

From: Randall S. James, Banking Commissioner

In an effort to help combat identity theft and fraud, Representative Helen Giddings authored House Bill 2002. HB 2002 requires financial institutions such as banks and credit unions operating in Texas to submit information, at the request of their customer, concerning suspected compromised deposit accounts to a secure electronic notification system which then alerts all of the major check verification companies to the potential fraudulent activity. Working in conjunction with Representative Giddings, the Texas Department of Banking launched the Closed Account Notification System, known as CANS on March 1, 2008, to implement the transfer of information contained in this new law. This system is the first of its kind in the nation.

The new law creates an additional option for a financial institution customer if identity theft or fraud has compromised the customer's deposit account(s). In addition to closing each compromised deposit account, the customer may request the financial institution send a notice to all major check verification companies simultaneously through CANS. The customer must: (1) provide to the bank either a copy of the incident or case number of the police report filed by the victim, (2) sign a sworn statement confirming that the customer is a victim of identity theft, and (3) sign a written authorization permitting the financial institution to submit the account information to CANS. A sample form that combines the sworn statement and the written authorization for use by financial institutions is provided on the Department's website.

There is no cost for financial institutions to register and begin utilizing the service to help protect consumer financial information. Registration is available at the Texas Department of Banking secure web page.

An "Online Help" link has been created to assist during the registration process. Should additional technical assistance be needed, contact the Texas Department of Banking. For questions about the law, contact Everette Jobe.