

# Townships may need to adopt identity theft program

On Nov. 1, 2008, new federal regulations to fight identity theft went into effect.

These “Red Flag” requirements are mandatory for all financial institutions and creditors, and as defined under the regulation, “creditor” could be a township that accepts payments for services by credit card or installment payments, such as for utilities.

According to the Federal Trade Commission, “a creditor is any entity that regularly extends, renews, or continues credit; any entity that regularly arranges for the extension, renewal, or continuation of credit; or any assignee of an original creditor who is involved in the decision to extend, renew or continue credit. Accepting credit cards as a form of payment does not in and of itself make an entity a creditor. Creditors include finance companies, automobile dealers, mortgage brokers, utility companies, and telecommunication companies. Where non-profit and government entities defer payment for goods and services, they too are to be considered creditors.”

On TOI’s Web site, [www.toi.org](http://www.toi.org), you may access a draft policy that would cover all types of services rendered by a township accepting payments for services via credit card or installment payments. For more information on this draft policy, call the TOI Office.