



DCU BULLETIN

Division of Credit Unions

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Division Begins Examinations of Credit Union Web Sites

During the week of April 17, 2006, the Division of Credit Unions (Division) conducted a pilot web site examination for a selected sample of credit unions. Those credit unions volunteered for the experience. The examinations tested the credit union's internet web site for compliance with various consumer protection laws and regulations. After reviewing the results of those exams, the Division has adapted the procedures and is now prepared to implement the process for the remaining credit unions having exams beginning after August 31, 2006.

What is a web site compliance examination?

Web site compliance examinations are conducted in accordance with the joint examination procedures developed in coordination with the [Federal Financial Institution Examination Council \(FFIEC\)](#). In most cases, the web-site exam will now be conducted in conjunction with the safety and soundness exam, with the results incorporated in that report. Web site compliance examinations deal with the credit union's compliance with the following regulations:

- ◆ Accuracy of Advertising and Notice of Insured Status ([Part 740 of the NCUA Rules and Regulations](#))
- ◆ Equal Credit Opportunity Act ([ECOA - Regulation B](#))
- ◆ Fair Housing Act ([FHA](#))
- ◆ Children's Online Privacy Protection Act ([COPPA - NCUA Regulatory Alert 01-RA-07](#))
- ◆ Electronic Funds Transfer Act ([Regulation E](#))
- ◆ Privacy of Consumer Financial Information Act ([Regulation P](#) and Part 713 of the NCUA Rules and Regulations)
- ◆ Truth in Lending ([Regulation Z](#))
- ◆ Availability of Funds and Collection of Checks ([Regulation CC](#))

- ◆ Truth in Savings ([Regulation DD](#) and Part 707 of the NCUA Rules and Regulations)
- ◆ [Bank Secrecy Act](#)
- ◆ Phishing Prevention ([NCUA Letter to Credit Unions 05-CU-20](#))
- ◆ Hyperlink Accuracy and Disclosure
- ◆ Bounce Protection Disclosures and Marketing ([NCUA Letter to Credit Unions 05-CU-03](#))
- ◆ Any other applicable consumer protection laws

Typically the examiner will check to make sure that required [“Equal Housing Opportunity logo”](#) and [“NCUA Insurance of Accounts button”](#) are displayed where appropriate. Web pages containing advertisements for shares and loans rates will be checked to ensure that rates are disclosed in terms of “APY” and “APR” and other proper disclosures are available for other products offered. The examiner will expect the credit union’s web site will be clear with conspicuous disclosures of the following:

- A privacy statement that identifies the information the web site gathers automatically or collects from e-mails or web forms, how the information is used, how the intrusion detection process may help law enforcement identify harmful intrusions, and a policy statement on web-linking.
- A specific statement identifying the institution as an equal credit opportunity lender if the web site contains an online loan or lease application or even advertises credit availability.
- A specific statement identifying the credit union as an equal opportunity employer if the web site contains job announcements or online job applications.
- If the credit union’s web site directs its site or an area of its site to children, it must comply with the Children’s Online Privacy Protection Act (COPPA) and have a privacy statement that tells visitors about the types of information the web site collects, how the site collects the information, how the site uses the information, and whether the site gives the information to anyone else. The privacy policy must be clearly written, understandable, and located close to any requests for information from children.

What are the responsibilities of the credit union?

Credit union management is responsible for acting on the report to correct any deficiencies and protect member assets. Credit unions should comply with federal laws to provide appropriate disclosures to consumers, protect customer information, minimize financial liability, and limit reputation risk.

What findings were identified in the course of the pilot project?

During the pilot project we had, in order of frequency, the following findings:

- Equal Housing logo missing or not prominent
- Lack of specifying security policies (including COPPA)
- APY issues,
- Missing disclosures on fees and / or EFT policies
- Missing disclaimers and disclosures on weblinks
- Missing required logo from NCUA

- Use of photos of exclusively majority race individuals (which can discourage members of other groups from feeling welcome)

These findings suggest it is important for the webmaster to be familiar with regulatory requirements or another credit union person from operations with that knowledge should review the credit union web site for compliance issues.

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Please contact Jane Johnson at (360) 902-0508, if you have any questions about this Bulletin.