

List of Tables

Table Number		Page
General Information		
1	For which units in your banking organization are you reporting the information?	73
2	Your total banking assets and deposits for the units included in this report	74
3	Open transaction account portfolio per bank	74
4	Distribution of open transaction accounts by account source	75
5	New transaction accounts opened per bank in 2006	75
6	Distribution of new transaction accounts by account opening channel	75
7	Expenses per bank (internal and external) for prevention, detection, investigation, and prosecution of check fraud	76
8	Average number of full-time equivalent (FTE) bank staff responsible for prevention, detection, and investigation of deposit account fraud	77
9	Average number of full-time equivalent (FTE) analysts and management staff responsible for listed prevention systems	77
10	Areas for which bank's fraud prevention/investigations group is directly responsible	78
11	Deposit account-fraud threats to the bank in the next 12 months	79
12	Percentage of 2006 deposit account fraud losses (check and electronic combined) that involved multiple channels	80
13	New transaction account fraud losses (check and electronic combined) by account opening channel	80
Check Fraud Losses		
14	Banks having check-related financial loss in 2006	81
15	Check-related losses per bank—total	81
16	Check-related losses per bank by category	82
17	Check-related losses per bank—new account fraud (accounts opened for less than 180 days)	84
18	New account fraud losses as a percentage of actual gross check-related losses	84
19	Check-related identity theft losses per bank	85
20	Identity theft losses as a percentage of actual gross check-related losses	85
21	Check-related organized customer scams (customer victimization) losses per bank	85
22	Organized customer scams losses as a percentage of actual gross check-related losses	86
23	Forged endorsement losses from on-us, transit deposited, and cash paid items	86
24	Forged maker's signature losses from on-us, transit deposited, and cash paid items	87
25	Counterfeit losses from on-us, transit deposited, and cash paid items	87
26	Alteration losses from on-us, transit deposited, and cash paid items	88
27	Actual losses by deposit channel	88

28	Actual losses by withdrawal channel	89
29	Actual losses from unsigned demand drafts	89
30	Actual losses by account source	90
31	New account check fraud losses by account age	90
32	Anticipated check fraud losses in the next 12 months	91
33	Actual recoveries from check fraud losses	93

Check Fraud Losses From Loan Portfolios

34	Banks reporting having fraudulent withdrawals from their loan portfolio in 2006	94
35	Check fraud losses from banks' loan portfolio	94
36	Anticipated check fraud losses from loan portfolio 12 months from now	94

Check Fraud Prevention

37	Approaches banks have taken or are planning to take to prevent check fraud losses—new account application review	95
38	Effectiveness of fraud prevention procedures—new account application review	97
39	Approaches banks have taken or are planning to take to prevent check fraud losses—deposit review	98
40	Effectiveness of fraud prevention procedures—deposit review	100
41	Approaches banks have taken or are planning to take to prevent check fraud losses—on-us/in-clearing	101
42	Effectiveness of fraud prevention procedures—on-us/in-clearing	104
43	Approaches banks have taken or are planning to take to prevent check fraud losses—customer verification	105
44	Effectiveness of fraud prevention procedures—customer verification	109
45	Approaches banks have taken or are planning to take to prevent check fraud losses—branch/bank control	110
46	Effectiveness of fraud prevention procedures—branch/bank control	112
47	Approaches banks have taken or are planning to take to prevent check fraud losses—other fraud prevention approaches	113
48	Effectiveness of fraud prevention procedures—other fraud prevention approaches	115
49	If you offer positive-pay service, how do you encourage your corporate customers to use this service? (check all that apply)	116
50	Report the following if you track the amount of check fraud loss avoidance that, in your opinion, was attributable to your prevention systems and procedures	116

Regulation CC

51	Report by region the most representative of your published funds availability policy for deposits to established consumer or business transactions accounts that do not qualify as exceptions under Regulation CC—next-day availability items	117
52	Report by region the most representative of your published funds availability policy for deposits to established consumer or business transactions accounts that do not qualify as exceptions under Regulation CC—local checks	119

53	Report by region the most representative of your published funds availability policy for deposits to established consumer or business transactions accounts that do not qualify as exceptions under Regulation CC—nonlocal checks.....	120
54	Report by region the most representative of your published funds availability policy for deposits to established consumer or business transactions accounts that do not qualify as exceptions under Regulation CC—Canadian items.....	121
55	How often do you impose a safeguard exception on your consumer or business accounts to hold funds beyond the 2 business days local/5 business days nonlocal standards?	123
56	Did your institution change its funds availability policy in the past two years?.....	126
57	Many banks generally provide funds earlier than the law requires (e.g., the day after deposit). In these instances, banks may impose “case-by-case” holds: that is, holds beyond the bank’s usual policy, but no later than 2 days for local, 5 days for nonlocal. If you provide funds earlier than required by Regulation CC, for instance, on the day after deposit, how often do you impose “case-by-case” holds?	126
58	As the bank of first deposit, how long does it take for your bank to receive available funds on deposited items through your check-clearing network? Report the proportion of item volume in each category	127
59	How does your bank route return items processed?.....	127
60	On average, how long does it take for a check to return to your institution? Assume that the original deposit of the check at your institution is day 0.	128
61	If a bank notifies you that a check is being returned, before your institution receives the check, do you: (check all that apply)	129

Electronic Check Processing

62	Do you capture or plan to capture check images at the following locations?.....	130
63	Do you plan to use electronic check processing?	131
64	In 2006, did your bank incur any fraud or non-fraud losses from substitute checks? (answer all that apply).....	131
65	If “Yes,” did the loss occur because it was a substitute check instead of the original check?.....	132
66	Does your bank engage in remote deposit image capture with merchants? (check all that apply).....	133
67	Are the items deposited via remote deposit image capture processed through your deposit fraud filter(s)?	134
68	Do you believe that electronic check processing, whether through transmittal of check images or check conversion to ACH has increased check fraud losses?	134

Clearinghouse Rule 8

69	Since the implementation of Rule 8, has your bank experienced an increase in savings?	135
70	If “Yes,” please report the following	135
71	Is the 60-day window sufficient?.....	135
72	Does your bank participate in Rule 9?	136

Remote Channel Fraud

73 Did your institution incur a financial loss during calendar year 2006 caused by remote channel fraud?137

74 Remote channels and transactions offered to consumers.....139

75 Remote channels and transactions offered to businesses145

76 Do you anticipate increased exposure (loss + loss avoided) in telephone banking/call centers in 2007?150

77 Online banking customers.....150

78 Have you experienced any Internet fraud with commercial accounts?.....151

79 Are you planning to implement enhanced online security like the following for your DDA customers?.....151

80 What tools are you providing DDA customers that could help prevent fraud and ID theft?.....152

81 Do you offer the following to your DDA customers?152

Online Bill Pay

82 Please specify what Online Bill Pay control procedures your bank has taken.....153

83 Effectiveness of fraud prevention procedures—online bill pay154

84 Please specify what means of disbursement of bill payments are used? (check all that apply).....154

85 When online bill pay fraud is detected, how is the loss avoidance calculated?.....155

86 Do you deny claims if the customer does not have updated spyware, virus, firewall or other protection?.....155

Debit Cards

87 Profile of debit card portfolios per bank156

88 Actual gross fraud losses per bank from signature debit card transactions156

89 Anticipated signature debit card fraud losses 12 months from now158

90 Actual gross fraud losses per bank from POS PIN debit card transactions160

91 Anticipated POS PIN debit card fraud losses 12 months from now.....161

92 Actual gross fraud losses per bank from ATM transactions163

93 Anticipated ATM fraud losses 12 months from now164

94 Did your institution suffer losses in 2006 because it was required to recredit an account before it was able to complete an investigation?166

95 If “Yes,” report the loss amount.....166

96 ATM/Debit card fraud prevention and detection procedures.....167

97 Effectiveness of ATM/Debit card fraud prevention and detection procedures.....173

ACH Transactions

98 Did your bank experience any ACH Origination fraud in 2006?
(your customer initiated unauthorized withdrawals from other accounts) 177

99 If “Yes,” please provide the following estimates if available 177

100 Did your bank experience any ACH withdrawal fraud in 2006 (your customer’s account was debited)? 177

101 If “Yes,” please provide the following estimates if available 178

102 ACH fraud prevention measures 178

103 Effectiveness of ACH fraud prevention measures 179

Wire Transactions

104 Banks' experience in 2006 with wire fraud—originations/outgoing 180

105 Does your institution monitor outgoing wires for specific countries outside of OFAC sanctions? 180

106 Does your institution monitor personal accounts for outgoing wires? 180

107 Has your institution experienced an increase in wire fraud and/or attempts in 2006 compared with the previous year? 181

108 Do you anticipate increased exposure (loss + loss avoided) due to wire fraud in 2007? 181