Policy 2105: Customer Identification Program (CIP)

Policy Revised Date: 02-2015

Purpose:

1. Verify the identity of any member opening a new account at Choice One Community Federal Credit Union.
2. Maintain records of information used to identify new members/accounts for period of 5 years beyond account closing.
3. Cross check names of members opening new accounts against list of known or suspected terrorists organizations provided by agencies of the US government.
4. Provide for internal control/procedures to ensure on going CIP policy compliance by Choice One Community Federal Credit Union staff.

Guidelines:

1. Policy applies to:
   A. Any new member
   B. Any new joint member added to an existing account
   C. Any new member added as a co-borrower
   D. For new Business Accounts please refer to Policy and Procedures #2211 for in depth instructions.

   Exception: This CIP Policy does not apply to existing members of Choice One opening new accounts as long as existing member’s identity was previously verified.

2. Notification of CIP Policy
   A. Member Packets
   B. Lobby Notice
   C. Employee Communication – Oral notice

3. New Account - Collecting Basic Information
   Any member who wishes to open a new account with Choice One must provide the following information before opening an account:
   A. Complete in full & sign membership application
   B. Must obtain member physical address
   C. Identification Number
      i. U.S. Persons
         1. Social Security number
         2. 9 digit individual tax ID number
         3. Employer ID number (Business Account)
      ii. Non U.S. Persons (1 or more of these
         1. 9 digit ID number
         2. Passport number & country of issuance
         3. Alien Identification card number (green card)
         4. Document number & country issuing any “other” documents showing identity (must include photo of member)

4. Verifying Required Information
   When a new member opens an account, Choice One staff shall use “documents” and/or “non-documents” methods to verify the identity of new account owners.
A. Document Identification includes requiring any of the following:
   i. Government issued driver’s license
   ii. Employer identification card
   iii. Student identification card
   iv. Passport
   v. Other national identification card

B. Non-Document Identification includes any of the following:
   i. Check reference at other financial institutions
   ii. Contacting the new members employer
   iii. Check new member identity using all resources available
   iv. Compare member information against credit report
   v. Chex Systems

5. **Lack of Verification**
   In situations where Choice One cannot form a reasonable belief regarding the identity of the new member (either due to lack of document identification or non-document identification), Choice One will consider the following:
   A. Whether to open the account
   B. Place time limit or transaction information limits while we attempt to verify member information
   C. Amount of time allowed before account is closed if unable to verify
   D. File a Suspicious Activity Report (SAR)

6. **Cross Checking of Government Lists**
   Choice One screens its membership database for suspected or known terrorists. Screening is done against lists provided by federal government agencies.
   A. OFAC blocked countries
   B. OFAC specially designated nationals & blocked persons
   C. Officials of blocked countries
   D. FBI lists

   Choice One will cross check the names of any new members against the above lists at the time an account is opened. Any name that appears on any government list will not be permitted to have an account or open an account with the credit union.

   Choice One does membership database screening using Fiserv’s applications at least once a month for OFAC and bi-weekly or on special release of FINCEN 314 releases.

7. **Record Retention**
   CIP requires Choice One to create and maintain all information we receive from new members for a period of 5 years after an account is closed.

   Record retention will consist of description of any document used to establish identity.
   A. Driver License – any identifying number on documents
   B. Passports
   C. Place document was issued (state or county)
   D. Date document was issued
   E. Expiration date of document

   For Non-Document methods:
   A. Identify the one document method used (ex: called employer)
   B. Document result of verification method (ex: employment verified by company payroll office)
8. **Copying Identification Documents**

CIP does not require or prohibit copying identification documents such as a government issued driver’s license or passport. (some states do prohibit copying an individual driver’s license)

If documents are to be copied, than these copies may only be kept with account cards, to avoid any appearance of lending discrimination under Equal Credit Opportunity Act (ECOA).

All copies must be properly stored and secured under NCUA Rule Part 748 “Security Program, Report of Crime and Catastrophic Act and Bank Secrecy Act Compliance.”