



Electronic Financial Services and Consumer Compliance

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July 16, 1998

TO: CHIEF EXECUTIVE OFFICER AND COMPLIANCE OFFICER

SUBJECT: *Interagency Guidance on Electronic Financial Services and Consumer Compliance*

The Federal Financial Institutions Examination Council (FFIEC) has issued the attached Guidance on Electronic Financial Services and Consumer Compliance. The guidance provides federally insured depository institutions with information on federal consumer protection laws and regulations, and their application to electronic financial service operations. It also seeks to promote compliance with the relevant consumer protection laws and regulations.

The guidance contains two sections:

- "Compliance Regulatory Environment," which summarizes relevant sections of the federal consumer protection laws and regulations that address electronic financial services, and includes interim compliance policy guidance with practical examples for applying existing consumer laws and regulations; and
- "The Role of Consumer Compliance in Developing and Implementing Electronic Services," which discusses the importance of compliance officer involvement in the design, development, implementation and monitoring of electronic banking operations.

Financial institutions should understand that existing federal consumer laws and regulations generally apply to advertisements, transactions and other services conducted electronically. Management is responsible for monitoring its electronic banking operations to ensure they comply with applicable laws, regulations and policies. Management should also take steps to ensure that its institution's compliance program is modified to account for the type and level of technology employed by the institution and changes in the regulations.

The attached interagency document is available on the Internet via the World Wide Web at </news/news/financial/> or <http://www.ffiec.gov>. For more information, please contact your Division of Compliance and Consumer Affairs regional office.

Carmen J. Sullivan  
Director

[Attachment](#)

Distribution: FDIC-Supervised Institutions (Commercial and Savings)

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