



FEDERAL RESERVE SYSTEM

CONSUMER AFFAIRS ELECTRONIC BANKING EXAMINATION CHECKLIST

This checklist was established by the Electronic Banking Working Group (EBWG) to create a tool for examiners to document reviews of a state member bank’s Internet web site for compliance with applicable consumer protection laws and regulations. The checklist is separated into seven (7) functional modules with thirty (30) appropriate subsections. Examiners may complete some, all, or none of the applicable subsection checklist questions based on the scope of the supervisory event and the complexity of the site under review. In order to answer certain checklist questions, such as instances where the institution complies with regulatory disclosure requirements via electronic communication, some form of transaction testing may be required (see Electronic Banking Examination Guidance Document for further information).

As with the previously issued Electronic Banking Examination Guidance Document presented via CA letters 00-1 and 02-12, this checklist should be used as a supplement to the existing Consumer Compliance Handbook and, as such, be considered in conjunction with the examiner guidance provided in the Risk-Focused Examination Program.

Issues discovered during this portion of the examination, or other supervisory event, may warrant a further review and notification to the Examiner-in-Charge (EIC), the institution’s Reserve Bank Central Point of Contact (CPC), and/or your District’s Internet Banking Expert.

ELECTRONIC BANKING EXAMINATION CHECKLIST SCOPING SUMMARY GRID	
Financial Institution Name:	
Location (City/State):	
RSSD#:	
Bank Contact Name & Phone #:	
Web-site URL Address:	
Examination Date:	
Examiner-in-Charge (EIC):	
Prepared by⁽¹⁾:	
Type of Web-site:	
Information Only <input type="checkbox"/> (Advertising, Institutional Information)	
Information Exchange <input type="checkbox"/> (Personal Interaction with Bank Personnel, for example by Electronic Mail)	
Transactional <input type="checkbox"/> (Inter-account Transfer and Inter-bank Transfer, Bill payment and Bill presentment, Aggregation)	
Fully Transactional <input type="checkbox"/> (Account Opening, Providing Regulatory Disclosures Requiring Compliance with E-Sign Act)	
Current Level⁽²⁾ of Electronic Banking Compliance Risk as of (MM/DD/YY):	
Low <input type="checkbox"/> Moderate <input type="checkbox"/> High <input type="checkbox"/>	
Current Trend⁽²⁾ as of (MM/DD/YY):	
Stable <input type="checkbox"/> Increasing <input type="checkbox"/> Decreasing <input type="checkbox"/>	
(1) Indicate the person(s) completing the Checklist by name or title (e.g. Internet Examiner).	
(2) Your district may not regularly assign a specific compliance risk level and trend for electronic banking; however, examiners may wish to consider completing these sections merely as a “snapshot” indication of e-banking compliance risk for the benefit of applicable Reserve Bank Management, the Examiner-in-Charge, and/or Board Staff.	

General Instructions

Completion of this checklist is subjective based on the complexity of the web site under review and the level of risk assigned to the financial institution as a whole. Each Module contains a Section A that was designed to give the user a brief introduction concerning the information contained in the immediate questions to follow.

The checklist index contains one column that, when finished by the user will outline those modules completed during an examiner's review but will also quickly summarize the complexity and functionality of the subject institution's Internet web site.

This checklist was specifically drafted in Microsoft Word to allow examiners several options when reviewing a financial institution's web site. The checklist may be completed electronically or by printing and subsequently hand written. The checklist has several options for electronic navigation including the following:

- ◆ **Document Map:** Engage the Document Map feature by clicking the View tab. This format allows the user to view and click all "thumbnail" titles describing each Module and Section Heading. The user will then be able to only view and complete those Modules or Sections that specifically apply to the particular web site they are reviewing.
- ◆ **Hyperlinks:** The section index will allow the reader to view and click only on those areas that specifically apply to the particular web site they are reviewing. A home feature was also installed at the end of each introductory section that if engaged will immediately return the user back to the Section Index, this returning Hyperlink looks as follows: INDEX-HOME.

ELECTRONIC BANKING EXAMINATION CHECKLIST			
SECTION INDEX			
<i>And EIC Documentation Tracking Tool</i>			
Module and Section Headings	Page #	Mark "X" or Double Click If applicable for this Review	Time Spent (hrs)
<u>MODULE I – Compliance Management – Section A – Introduction</u>	3	<input type="checkbox"/>	
<u>MODULE I – Compliance Management – Section B – Web Site Design</u>	3	<input type="checkbox"/>	
<u>MODULE I – Compliance Management – Section C – Management and Internal Controls</u>	3	<input type="checkbox"/>	
<u>MODULE II – Advertising – Section A – Introduction</u>	4	<input type="checkbox"/>	
<u>MODULE II – Advertising – Section B – Institutional Advertising</u>	4	<input type="checkbox"/>	
<u>MODULE II – Advertising – Section C – Loan Products</u>	4	<input type="checkbox"/>	
<u>MODULE II – Advertising – Section D – Deposit Products</u>	5	<input type="checkbox"/>	
<u>MODULE II – Advertising – Section E – Non Deposit Investment Products (NDIPs)</u>	5	<input type="checkbox"/>	
<u>MODULE III – Privacy – Section A – Introduction</u>	6	<input type="checkbox"/>	
<u>MODULE III – Privacy – Section B – General Compliance</u>	6	<input type="checkbox"/>	
<u>MODULE III – Privacy – Section C – COPPA</u>	6	<input type="checkbox"/>	
<u>MODULE IV – E-sign – Section A – Introduction</u>	7	<input type="checkbox"/>	
<u>MODULE IV – E-sign – Section B – General Compliance</u>	7	<input type="checkbox"/>	
<u>MODULE V – Taking Applications – Section A – Introduction</u>	8	<input type="checkbox"/>	
<u>MODULE V – Taking Applications – Section B – Providing Applications/Pre-qualification Forms</u>	8	<input type="checkbox"/>	
<u>MODULE V – Taking Applications – Section C – Accepting Applications/Pre-qualification Forms</u>	8	<input type="checkbox"/>	
<u>MODULE V – Taking Applications – Section D – Providing Regulation B/FCRA Disclosures</u>	8	<input type="checkbox"/>	
<u>MODULE V – Taking Applications – Section E – Interim Rules</u>	9	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section A – Introduction</u>	10	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section B – Closed-End Non Real Estate Lending</u>	10	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section C – Closed-End Real Estate Lending</u>	10	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section D – Open-End Non-Real Estate Lending (Non CCs)</u>	11	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section E – Credit Cards</u>	11	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section F – Open-End Real Estate Lending</u>	12	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section G – Loan Account Subsequent Disclosures</u>	13	<input type="checkbox"/>	
<u>MODULE VI – On Line Lending – Section H – Interim Rules</u>	13	<input type="checkbox"/>	
<u>MODULE VII – On Line Deposits – Section A – Introduction</u>	14	<input type="checkbox"/>	
<u>MODULE VII – On Line Deposits – Section B – Deposit Account Opening</u>	14	<input type="checkbox"/>	
<u>MODULE VII – On Line Deposits – Section C – Deposit Account Subsequent Disclosures</u>	15	<input type="checkbox"/>	
<u>MODULE VII – On Line Deposits – Section D – Interim Rules</u>	15	<input type="checkbox"/>	

MODULE I – Compliance Management – Section A – Introduction

The information in this section will assist examiners in evaluating the financial institution’s compliance management program in its ability and expertise in developing, implementing, and maintaining an internal control system in an electronic environment.

INDEX-HOME

MODULE I – Compliance Management – Section B – Web site Design

Web-Site Design	
I(b)(1)	Please indicate and list, as applicable, if the financial institution maintains additional URLs (both active and inactive) other than those listed on Page 1 for different products and services.
I(b)(2)	Is the web site <u>designed</u> “in house” or by an outside third party? If designed by an outside third party, please review and obtain contracts, as applicable. Also determine the level and extent of due diligence conducted by the financial institution in the selection of the vendor.
I(b)(3)	Is the web site <u>maintained</u> “in house” or by an outside third party? If maintained by an outside third party, please review and obtain contracts, as applicable. Also determine the level and extent of due diligence conducted by financial institution in the selection of the vendor.

MODULE I – Compliance Management – Section C – Management and Internal Controls

Board of Directors and Senior Management Oversight		YES	NO	N/A
I(c)(1)	Do the board of directors and senior management have oversight of web site design and implementation?			
I(c)(2)	Is the oversight appropriate? Review appropriate documentation such as meeting minutes, approved written policies, and revisions.			
I(c)(3)	Have sufficient resources been devoted to ensuring web-site compliance?			
Compliance Program Structure		YES	NO	N/A
I(c)(4)	Is compliance management an integral part of the development, testing, and maintenance of the financial institution’s e-banking delivery system? For example, has compliance risk been appropriately addressed in the financial institution’s strategic plan for e-banking?			
I(c)(5)	Does the compliance program include electronic banking issues and associated risks?			
I(c)(6)	List compliance staff with internet responsibilities. Provide their title and a brief description of their duties. Also provide the name and title of the webmaster, as applicable.			
Policies and Procedures		YES	NO	N/A
I(c)(7)	Do the financial institution’s policies and procedures encompass e-banking delivery system activities, including the handling of e-mail?			
I(c)(8)	Does the financial institution maintain a policy regarding outside links sites it will host on its web site?			
I(c)(9)	If YES , does the policy appropriately address legal and reputation risks associated with outside links? <i>Note: An example of a risk that should be addressed includes instances where a financial institution’s web site links to a real estate brokerage. In such instances, the examiner should consider RESPA Section 8 anti-kickback and unearned fee provisions.</i>			
I(c)(10)	Does the financial institution have procedures in place to ensure compliance with all applicable record retention requirements?			
Web-site Audits		YES	NO	N/A
I(c)(11)	Do external and/or internal auditors review the financial institution’s web site?			
I(c)(12)	If YES , do the scope of the audits include compliance issues and the testing of calculators, links, and other operational features of web site?			
I(c)(13)	Review audit workpapers related to the web site.			
I(c)(14)	Are the quality and scope of the audit(s) appropriate given the complexity of the web site?			
Internal Controls		YES	NO	N/A
I(c)(15)	Are compliance personnel involved in the development, maintenance, and testing of the financial institution’s web site?			
I(c)(16)	Does the financial institution have internal controls/processes in place to ensure that the web site remains compliant with consumer protection laws and regulations?			
I(c)(17)	Is there a process in place to ensure that changes to the web site undergo proper documentation, compliance authorization, and implementation?			
I(c)(18)	Does the financial institution have internal controls to mitigate reputation risk associated with unauthorized URLs?			
Training		YES	NO	N/A
I(c)(19)	Does the financial institution’s training program adequately address e-banking compliance issues?			

MODULE II – Advertising – Section A – Introduction

A financial institution's web site is considered an advertisement. Although functionality may vary among web sites, the site should be accorded the same review as other advertising media used by the financial institution. In reviewing the web site, examiners should ensure that all advertisements comply with applicable laws and regulations and assess whether advertisements are misleading or inaccurate. The depth and method of the review will depend on the sophistication of the financial institution's advertising strategy.

[INDEX-HOME](#)

MODULE II – Advertising – Section B – Institutional Advertising

<i>Institutional Advertising</i>		YES	NO	N/A
<i>Image and Discouragement – ECOA/FHA – Fair Lending Issues</i>				
II(b)(1)	Do any of the pages depict human images?			
II(b)(2)	If YES , do the images reflect local area demographics in terms of race, age or any other prohibited basis group?			
II(b)(3)	Does the web site contain any special features such as an automated property location referral or a home finder tool?			
II(b)(4)	If, YES , would the use of this tool result in illegal discrimination?			
II(b)(5)	Do the advertisements contained on the web site, by words, symbols, models or other forms of communication express, imply, or suggest a discriminatory preference or policy of exclusion in violation of ECOA or FHA?			
II(b)(6)	Do web site loan advertisements discourage on a prohibited basis applicants or prospective applicants from making or pursuing an application? §202.5(a)			
<i>Board Order on Fair Housing Advertising and Poster Requirements</i>				
II(b)(7)	Does each page advertising mortgage loans contain the FHA logotype with the equal housing lender legend (i.e. "the doghouse")? <i>Note: Refer to March 29, 1989 Board Order for further information.</i>			
<i>FDIC Membership Statement</i>				
II(b)(8)	Is the FDIC Membership statement or symbol listed on the financial institution's home page and other pages referencing deposits?			

MODULE II – Advertising – Section C – Loan Products

<i>Loan Product Advertising</i>		YES	NO	N/A
<i>Regulation Z</i>				
II(c)(1)	Does the financial institution advertise loan products on its web site, via electronic mail or via banner advertisements on other third party websites? <i>Note: The examiner should consider sampling all types of electronic based advertising by, for example, obtaining and reviewing scripts for all forms of electronic advertisements (banner adds, streaming video, pop-ups, etc).</i>			
II(c)(2)	If NO , the remainder of this checklist need NOT be completed.			
II(c)(3)	If YES , do the advertisements state only available terms? §226.16(a) and §226.24(a)			
II(c)(4)	If the financial institution advertises interest rates, is the rate expressed as an annual percentage rate? §226.24(b)			
II(c)(5)	If the simple rate is provided along with the annual percentage rate, can the consumer view both rates simultaneously on the web site? (This requirement is not satisfied if the consumer can view the annual percentage rate only by use of a link that takes the consumer to information appearing at another location. (OSC §226.24(b))			
II(c)(6)	Do the advertisements contain triggering terms? §226.16(b) and §226.24(c)			
II(c)(7)	If YES , are the additional triggered disclosures provided clearly and conspicuously?			
II(c)(8)	Does the web site contain catalog or other multiple-page advertisements for loans?			
II(c)(9)	If YES , are the advertisements in compliance with §226.16(c) or §226.24(d)? <i>Note: For electronic advertisements, if information is provided in a table, that table must be clearly and conspicuously set forth, and any triggering term appearing in the advertisement must clearly refer to the location of the table. (§226.16(c) §226.24(d))</i>			
<i>Regulation M</i>				
II(c)(10)	Does the financial institution advertise consumer leases on its web site?			
II(c)(11)	If NO , the remainder of this checklist need NOT be completed.			
II(c)(12)	If YES , do the advertisements state lease terms that are usually and customarily offered by the financial institution? §213.7(a)			
II(c)(13)	If YES , do the consumer lease pages advertise a percentage rate?			
II(c)(14)	If YES , do the percentage rate and accompanying notice about rate limitations appear in the same location so that they can be viewed simultaneously (OSC §213.7(b)(2))?			
II(c)(15)	Do both the triggering terms and the required disclosures appear in the same location so that they can be viewed simultaneously (OSC §213.7(b)(1))?			

MODULE II – Advertising – Section D – Deposit Products

Deposit Product Advertising		YES	NO	N/A
Regulation DD – Misleading or Inaccurate Advertising				
II(d)(1)	Does the financial institution advertise deposit products on its website, via electronic mail, or via banner advertisements on other third party websites? <i>Note: The examiner should consider sampling all types of electronic based advertising by, for example, obtaining and reviewing scripts for all forms of electronic advertisements (banner adds, streaming video, pop-ups, etc).</i>			
If NO , the remainder of this checklist need NOT be completed.				
II(d)(2)	If YES , does the financial institution comply with Regulation DD’s prohibition against misleading or inaccurate advertisements? §230.8(a)			
II(d)(3)	If the advertisement states a rate of return, does it state the rate as a an “annual percentage yield” or “APY?” §230.8(b)			
II(d)(4)	If the advertisement states a rate of return, does it state the “interest rate” using that term not more conspicuously than the annual percentage yield to which it relates? §230.8(b)			
II(d)(5)	If the advertisement discloses an interest rate in addition to an APY, is the rate stated in conjunction with and not more conspicuous than the APY? <i>Note: This requirement is not satisfied if the consumer can view the annual percentage yield only by use of a link that connects the consumer to information appearing at another location. (OSC §230.8(b)(4))</i>			
II(d)(6)	If an APY or bonus is advertised, are the additional disclosures required by 230.8(c) accurately presented? §230.8(d) <i>Note: The advertisement must clearly refer the consumer to the location where the additional required information begins, such as by a link. (OSC §230.8(a)(9))</i>			

MODULE II – Advertising – Section E – Non Deposit Investment Products (NDIPs)

NDIP Advertising		YES	NO	N/A
II(e)(1)	Does the financial institution advertise non-deposit investment products on its website, via electronic mail, or via banner advertisements on other third party websites? <i>Note: The examiner should consider sampling all types of electronic based advertising by, for example, obtaining and reviewing scripts for all forms of electronic advertisements (banner adds, streaming video, pop-ups, etc).</i>			
II(e)(2)	If YES , have the applicable pages properly omitted the FDIC insurance statement and logo? <i>Note: Refer to the February 15, 1994 Interagency Statement on Retail Sales of Nondeposit Investment Products for further information. See press release at www.fdic.gov/news/news/press/1994/pr9412.html for a summary of the statement.</i>			

MODULE III – Privacy – Section A – Introduction

Except in instances where a consumer may obtain a financial product or service from a financial institution’s web site, Regulation P does not require a financial institution to post a privacy policy on its web site or deliver its privacy policy electronically in order to comply with the regulation.

INDEX-HOME

MODULE III – Privacy – Section B – General Compliance

Regulation P		YES	NO	N/A
III(b)(1)	Does the financial institution comply with the regulation’s disclosure requirements through electronic communication?			
III(b)(2)	If YES , does the financial institution obtain consumers’ agreement to deliver the disclosures electronically? (§216.9(a)) <i>Note: Financial institutions do not need to comply with the E-Sign consent provisions for delivering notices pursuant to Regulation P.</i>			
III(b)(3)	If NO , the remainder of this checklist need NOT be completed.			
III(b)(4)	Does the financial institution comply with the notice requirements of the regulation by posting the notices on its web site?			
III(b)(5)	If YES , for all notices, does the financial institution comply with the clear and conspicuous standard set forth in the regulation, such as by:			
III(b)(6)	Using text or visual cues to encourage scrolling down the page if necessary, with other elements (such as graphics, colors, etc) not distracting from the notice, or			
III(b)(7)	Placing the notice on a screen frequently accessed by consumers or placing an appropriately labeled link to the notice on screens frequently accessed by consumers? §216.3(b)(1)(iii)			
III(b)(8)	If consumers can obtain financial products or services via electronic communication, are the initial disclosures and opt out notice (if applicable) delivered as a necessary step in obtaining the financial product or service?			
III(b)(9)	Does the financial institution’s procedure in delivering the notices provide a reasonable expectation that the consumer receives actual notice, such as by requiring consumers to acknowledge receipt of the disclosures? §216.9(b).			
III(b)(10)	Do the financial institution’s initial disclosures comply with the regulation? §216.6			
III(b)(11)	Are the financial institution’s disclosures consistent with the bank’s privacy practices? §216.4			
III(b)(12)	Does the opt-out notice comply with the regulation? Does the financial institution provide a reasonable method of opt-out? Are the opt-out notices received by the financial institution via electronic communication processed appropriately? §216.7			
III(b)(13)	If the financial institution delivers the opt-out notice subsequent to delivery of the initial notice, does the financial institution provide a copy of the initial notice with the opt-out notice? §216.7(c).			
III(b)(14)	Does the financial institution deliver revised privacy notices via electronic communication? If YES , do the financial institution’s procedures in delivering the notices provide a reasonable expectation that the consumer will receive actual notice, such as by requiring the consumers to acknowledge receipt of the disclosures? Do the revised notices comply with the regulation? §216.8(a); §216.9(a); and §216.9(b)			
III(b)(15)	Does the financial institution deliver annual privacy notices via electronic communication? If YES , do the financial institution’s procedures in delivering the notice provide a reasonable expectation that the customer will receive actual notice, such as by posting the current privacy notice continuously in a clear and conspicuous manner on its web site? §216.9(a) §216.9(c)			
III(b)(16)	Are initial notices, revised notices, and annual notices delivered in retainable form? §216.9(e)			
III(b)(17)	Does the financial institution collect nonpublic personal information (such as from data entry fields or through cookies) from consumers visiting its web site?			
III(b)(18)	If YES , is the information collected from its web site properly addressed in the financial institution’s privacy policies, notices, and practices? §216.4 and §216.(a)(2)			

MODULE III – Privacy – Section C – COPPA

COPPA – Children’s Online Privacy and Protection Act		YES	NO	N/A
III(c)(1)	Does the web site gather information about children under the age of 13?			
III(c)(2)	If YES , does it comply with the provisions of COPPA?			

MODULE IV – E-sign – Section A – Introduction

The Electronic Signatures in Global and National Commerce Act became effective on October 1, 2000 (E-Sign Act). The E-Sign Act provides a general rule of validity for electronic records and signatures for transactions in or affecting interstate or foreign commerce. In particular, the Act allows financial institutions to issue electronic records to a consumer to satisfy any statute or regulation that requires such information to be in writing.

Please note that the Federal Reserve has implemented the requirements of the E-Sign Act through the issuance of interim rules relating to loan and deposit regulations (specifically Regulations B, E, M, Z & DD) Throughout this checklist these rules are referred to as the “Interim Rules.” Compliance with the interim rules is optional; however, compliance with the E-Sign Act is mandatory for agreements to deliver disclosures electronically established on or after October 1, 2000.

[INDEX-HOME](#)

MODULE IV – E-sign – Section B – General Compliance

<i>E-sign Act</i>		<i>YES</i>	<i>NO</i>	<i>N/A</i>
IV(b)(1)	Does the financial institution electronically deliver notices and/or disclosures subject to the consumer consent provisions of the E-Sign Act? E-Sign § 101			
IV(b)(2)	If NO , the remainder of this checklist need NOT be completed.			
IV(b)(3)	If YES , does the financial institution have procedures in place to ensure that the consumer has affirmatively consented to electronic disclosures and has not withdrawn consent prior to the financial institution providing electronic disclosures?			
IV(b)(4)	Does the financial institution provide the consumer, prior to consenting, a clear and conspicuous statement that:			
IV(b)(5)	Informs the consumer of any right or any option to have the record provided or made available on paper or in non-electronic form, and the right to withdraw the consent, including any conditions, consequences, or fees in the event of such withdrawal;			
IV(b)(6)	Informs the consumer whether the consent applies only to the particular transaction that triggered the disclosure or to identified categories of records that may be provided during the course of the parties’ relationship;			
IV(b)(7)	Describes the procedures the consumer must use to withdraw consent and to update information needed to contact the consumer electronically; and			
IV(b)(8)	Informs the consumer how the consumer may nonetheless request a paper copy of a record and whether any fee will be charged for that copy.			
IV(b)(9)	Are any fees associated with withdrawing a consumer’s consent or providing paper copies of records accurately disclosed? E-Sign §101(c)(1)(B)			
IV(b)(10)	Does the financial institution provide the consumer, prior to consenting, with a statement of the hardware and software requirements for access to and retention of electronic records? E-Sign §101(c)(1)(C)			
IV(b)(11)	Does the consumer consent electronically in a manner that reasonably demonstrates the consumer can access information in the electronic form that will be used to provide the information? E-Sign §101(c)(1)(C) <i>Note: Oral communications do not qualify as an electronic record. E-Sign §101(c)(2)(6)</i> Please describe the manner in which the consumer reasonably demonstrates accessing the information in electronic form:			
IV(b)(12)	If a change in the hardware or software requirements needed to access or retain electronic records creates a material risk that the consumer will not be able to access or retain subsequent electronic records subject to the consent, does the financial institution provide the consumer with the following:			
IV(b)(13)	A statement of the revised hardware and software requirements for access to and retention of electronic records;			
IV(b)(14)	A disclosure of the consumer’s right to withdraw consent without the imposition of any fees and without the imposition of any consequence not previously disclosed. E-Sign §101(c)(1)(D);			
IV(b)(15)	Are consumers provided a new affirmative consent as previously outlined? E-Sign §101(c)(1)(D).			
IV(b)(16)	Does the financial institution maintain electronic records accurately reflecting the information contained in applicable contracts, notices, or disclosures? E-Sign §101(d)			
IV(b)(17)	Do they remain accessible to all persons who are legally entitled to access the records for the period required by law in a form that is capable of being accurately reproduced for later reference? E-Sign §101(d)			

MODULE V – Taking Applications – Section A – Introduction

This Module concerns institutions that provide loan applications online as well as instances where applications can be submitted via electronic communication.

Section F of this Module contains items appearing as rules or guidance provided in the Interim Rules. Compliance with the Interim Rules is not mandatory. Examiners should consult their Reserve Bank’s management prior to reviewing web-sites that follow the Interim Rules.

INDEX-HOME

MODULE V – Taking Applications – Section B – Providing Applications/Pre-qualification Forms

<i>Applications/Pre-qualification Forms</i>		YES	NO	N/A
V(b)(1)	Does the financial institution provide an application form or a form for submitting pre-qualification information online that consumers may print and submit in person or send via U.S. Mail?			
V(b)(2)	If NO , the remaining portion of this checklist need NOT be completed.			
V(b)(3)	Does the form avoid requesting prohibited information? §202.5			
V(b)(4)	Does the form otherwise avoid discouraging potential applicants on a prohibited basis? §202.5(a)			
V(b)(5)	Does the form provide disclosures regarding income from alimony, child support, or separate maintenance as applicable? §202.5(d)(2)			

MODULE V – Taking Applications – Section C – Accepting Applications/Pre-qualification Forms

<i>Applications/Pre-qualification Submission</i>		YES	NO	N/A
V(c)(1)	Does the financial institution allow an application or pre-qualification request to be submitted via electronic communication?			
V(c)(2)	If NO , the remaining portion of this checklist need NOT be completed.			
V(c)(3)	Does the financial institution utilize prescreening, credit scoring or any other automated underwriting tool for information submitted on-line?			
V(c)(4)	If YES , is the system used in a non-discriminatory manner?			
V(c)(5)	Based on the financial institution’s response to consumers’ submitting pre-qualification information on-line, do pre-qualification requests constitute an application? §202.2(f)			
V(c)(6)	Does the financial institution treat applications filed through electronic communication as written applications?			
V(c)(7)	Does the financial institution properly request and collect government monitoring information for applications submitted on-line, as applicable? §202.13(a) <i>Note: For disclosures required at application, applicants must be required to access the disclosures before submitting the application. For example financial institutions may have the disclosures appear automatically on the screen or by providing a non by passable link to the disclosures. (OSC §202.17(b)(3))</i> <i>Note: For electronic banking platforms with video capabilities, the financial institution must collect government monitoring information based on visual observations or surname should the applicant not provide the information requested.</i>			

MODULE V – Taking Applications – Section D – Providing Regulation B/FCRA Disclosures

<i>Regulation B/FCRA Disclosures</i>		YES	NO	N/A
V(d)(1)	Does the financial institution communicate a credit decision or otherwise provide required Regulation B/FCRA disclosures via electronic communication?			
V(d)(2)	If NO , the remaining portion of this checklist need NOT be completed.			
V(d)(3)	For disclosures required under Regulation B and the Fair Credit Reporting Act (FCRA), does the financial institution properly obtain the applicable consumer consent pursuant to the E-sign Act? <i>Note: Regulation B allows for disclosures in §202.5a(a)(2)(i), §202.9(a)(3)(i)(b), and §202.13(a) to be provided without meeting the consumer consent requirements under the E-sign Act.</i>			
V(d)(4)	Are adverse action and appraisal notices provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation B and FCRA? §202.9 §202.5(a)(2)(i) §202.12 <i>Note: For disclosures required at application, applicants must be required to access the disclosures before submitting the application. For example, financial institutions may have the disclosures appear automatically on the screen or by providing a non by passable link to the disclosures. (OSC §202.17(b)(3))</i>			

MODULE V – Taking Applications – Section E – Interim Rules

<i>Interim Rules</i>		<i>YES</i>	<i>NO</i>	<i>N/A</i>
<i>Regulation B and the Fair Credit Reporting Act</i>				
V(e)(1)	Does the financial institution communicate a credit decision or otherwise provide required Regulation B/FCRA disclosures via electronic communication?			
V(e)(2)	If NO , the remaining portion of this checklist need NOT be completed.			
V(e)(3)	For disclosures provided electronically pursuant to the Interim Rules, does the institution either:			
V(e)(4)	Send the disclosures to the consumer’s electronic address, or			
V(e)(5)	Make the disclosures available at another location such as a web site and:			
V(e)(6)	Alert the consumer to the disclosure’s availability by sending a notice to the consumer’s electronic or postal address identifying the account involved and the address where the disclosures are located and; <i>Note: Timeliness of disclosures is measured by when disclosures are sent or when both the disclosure is posted and the consumer is alerted by email. (OSC §202.17(b))</i>			
V(e)(7)	Make the disclosure available for at least 90 days from the date the disclosures first become available or from the date of the notice alerting the consumer of the disclosure? §202.17(d)			
V(e)(8)	For disclosures provided by electronic communication that are returned, does the institution take reasonable steps to attempt redelivery? §202.17(e)			

MODULE VI – On Line Lending – Section A – Introduction

The information in this Module will assist examiners in reviewing an financial institution’s electronic banking delivery system when determining compliance with the consumer lending regulations. Examiners should review a demonstration of how all disclosures appear on the screen, as applicable. Section H of this Module contains items appearing as rules or guidance provided in the Interim Rules. Compliance with the Interim Rules is not mandatory. Examiners should consult their Reserve Bank’s management prior to reviewing web-sites that follow the Interim Rules.

[INDEX-HOME](#)

MODULE VI – On Line Lending – Section B – Closed-End Non-Real Estate Lending

<i>Closed-End Non-Real Estate Lending</i>		YES	NO	N/A
VI(b)(1)	Does the financial institution provide disclosures required pursuant to Regulation Z via electronic communication?			
VI(b)(2)	If YES , for disclosures required under Regulation Z, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete <u>MODULE IV</u> .			
VI(b)(3)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(b)(4)	Are disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation Z §226.17, §226.18, §226.25?			

MODULE VI – On Line Lending – Section C – Closed-End Real Estate Lending

<i>Closed-End Real Estate Lending</i>		YES	NO	N/A
<i>Regulation Z – Truth in Lending</i>				
VI(c)(1)	Does the financial institution provide disclosures required pursuant to Regulation Z via electronic communication?			
VI(c)(2)	If YES , does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Disclosures required under §226.19(b) are exempt from the consumer consent provisions of the E-Sign Act. Complete <u>MODULE IV</u> .			
VI(c)(3)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(c)(4)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation Z, as applicable?			
VI(c)(5)	Variable rate disclosures at application? §226.19(b) <i>Note: Disclosures required by section §226.19(b) must be provided at the time the blank application or reply form is made available by electronic communication. For example, the disclosures may be provided by a non-by passable link or the application may clearly and conspicuously refer to the fact that rate, fee, and other cost information either precedes or follows the application. (OSC §226.19(b)(2)(v)).</i>			
VI(c)(6)	TIL disclosures provided at the earlier of consummation or three business days after application? §226.17, §226.18, and §226.19(a)			
VI(c)(7)	As applicable, high cost and/or reverse mortgage disclosures required at least three business days prior to consummation? §226.31, §226.32, and §226.33			
VI(c)(8)	Right of Rescission? §226.23 <i>Note: If e-mail is used, financial institutions must deliver at least one notice to each consumer entitled to rescind to a designated electronic address (each person must designate).</i>			
<i>RESPA</i>				
VI(c)(9)	Does the financial institution provide disclosures required pursuant to RESPA via electronic communication?			
VI(c)(10)	If YES , for disclosures required under RESPA, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete <u>MODULE IV</u> .			
VI(c)(11)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(c)(12)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of RESPA? §3500.10(e)			
VI(c)(13)	Special Information Booklet? §3500.6			
VI(c)(14)	Good Faith Estimate? §3500.7			
VI(c)(15)	HUD-1/HUD-1A? §3500.8(a)			
VI(c)(16)	Affiliated Business Arrangements? §3500.15			
VI(c)(17)	Initial Escrow Account Statement? §3500.17(g)(1)			
VI(c)(18)	Initial Mortgage Servicing Transfer Disclosure? §3500.21(b)			
<i>Regulation H – Flood Provisions</i>				
VI(c)(19)	Does the financial institution provide disclosures required pursuant to Regulation H via electronic communication?			
VI(c)(20)	If YES , for disclosures required under Regulation H, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete <u>MODULE IV</u> .			
VI(c)(21)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(c)(22)	Is the special flood hazard notice outlining the availability of Federal disaster relief provided via electronic communication and if so, is it compliant with the content, timing, form, and record retention requirements of Regulation H, as applicable?			

MODULE VI – On Line Lending – Section D – Open -End Non-Real Estate Lending (Non Credit Card)

<i>Open –End Non-Real Estate Lending</i>		<i>YES</i>	<i>NO</i>	<i>N/A</i>
<i>Regulation Z – Truth in Lending</i>				
VI(d)(1)	Does the financial institution provide disclosures required pursuant to Regulation Z via electronic communication?			
VI(d)(2)	If YES , for disclosures required under Regulation Z, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV .			
VI(d)(3)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(d)(4)	Are the following disclosures provided via electronic communication compliant with the content, timing, and form requirements of Regulation Z?			
VI(d)(5)	Initial disclosures? §226.5 and §226.6			
VI(d)(6)	Does the financial institution use electronic communication to resolve billing errors?			
VI(d)(7)	If YES , does the financial institution follow the appropriate procedures as outlined in §226.13?			

MODULE VI – On Line Lending – Section E – Credit Cards

<i>Credit Cards</i>		<i>YES</i>	<i>NO</i>	<i>N/A</i>
<i>Regulation Z – Truth in Lending</i>				
VI(e)(1)	Does the financial institution provide disclosures required pursuant to Regulation Z via electronic communication?			
VI(e)(2)	If YES , for disclosures required under Regulation Z, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV . <i>Note: Disclosures under §226.5a are exempt from the consumer consent provisions of the E-Sign Act.</i>			
VI(e)(3)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(e)(4)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation Z? §226.25			
VI(e)(5)	Credit and Charge Card Applications and Solicitations? §226.5a <i>Note: The disclosures may be provided with the application or solicitation by a non-by passable link or the application may clearly and conspicuously refer to the fact that rate, fee, and other cost information either precedes or follows the application. (OSC §226.5a(a)(2)). In addition, the APR disclosure is accurate if the rate was in effect within 30 days preceding the disclosure. (OSC §226.5a(b)(1))</i>			
VI(e)(6)	Initial disclosures? §226.5 and §226.6			
VI(e)(7)	Does the financial institution use electronic communication to resolve billing errors?			
VI(e)(8)	If YES , does the financial institution follow the appropriate procedures as outlined in §226.13?			

MODULE VI – On Line Lending – Section F – Open -End Real Estate Lending

<i>Open –End Real Estate Lending</i>		<i>YES</i>	<i>NO</i>	<i>N/A</i>
Regulation Z – Truth in Lending				
VI(f)(1)	Does the financial institution provide disclosures required pursuant to Regulation Z via electronic communication?			
VI(f)(2)	If YES , for disclosures required under Regulation Z, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV . <i>Note: Disclosures under §226.5b(d) and §226.5b(e) are exempt from the consumer consent provisions of the E-Sign Act.</i>			
VI(f)(3)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(f)(4)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation Z?			
VI(f)(5)	Initial disclosures? §226.5, §226.5b, and §226.6 <i>Note: Consumers must be able to access disclosures under §226.5b(b) at the time an application or reply form is made available via electronic communication. The disclosures may be provided by a non-by passable link, the application may clearly and conspicuously refer to the fact that rate, fee, and other cost information either precedes or follows the application, or the disclosures may automatically appear on the screen when the application appears. (OSC §226.5b(b))</i>			
VI(f)(6)	Right of rescission? §226.15 <i>Note: If email is used, financial institutions must deliver at least one notice to each consumer entitled to rescind. Each person entitled to rescind must also designate an electronic address. §226.15</i>			
VI(f)(7)	Does the financial institution use electronic communication to resolve billing errors?			
VI(f)(8)	If YES , does the financial institution follow the rules set by §226.13?			
Regulation H – Flood Provisions				
VI(f)(9)	Does the financial institution provide disclosures required pursuant to Regulation H via electronic communication?			
VI(f)(10)	If YES , for disclosures required under Regulation H, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV .			
VI(f)(11)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(f)(12)	Is the special flood hazard notice outlining the availability of Federal disaster relief provided via electronic communication and if so, is it compliant with the content, timing, form, and record retention requirements of Regulation H, as applicable?			

MODULE VI – On Line Lending – Section G – Loan Account Subsequent Disclosures

Section G in Module VI deals with disclosures provided subsequent to the initial credit transaction. This Section can be used in conjunction with the other sections in Module VI (On Line Lending) or may be used separately. The Module was developed to address instances where individuals have opened their loan account within the financial institution but have requested that subsequent disclosures be delivered to them online. For example, some customers may have opted to receive periodic statements electronically although they obtained the loan by physically visiting their financial institution.

General Subsequent Disclosures		YES	NO	N/A
VI(g)(1)	For any loan product, does the financial institution provide required subsequent disclosures via electronic communication?			
VI(g)(2)	If YES , for all subsequent disclosures, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign?			
VI(g)(3)	If NO , the remaining portion of this checklist need NOT be completed.			
VI(g)(4)	Are the following subsequent disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of the applicable regulations:			
Closed-End Real Estate Lending				
Regulation Z – Truth in Lending				
VI(g)(5)	Variable rate adjustments? §226.20(c)			
RESPA				
VI(g)(6)	Annual Escrow account statement? §3500.17(i)			
VI(g)(7)	Mortgage Servicing Transfer Disclosure? §3500.21(d)			
Regulation H – Flood Provisions				
VI(g)(8)	Notice of forced placement of flood insurance? §208.25(g)			
Open –End Non-Real Estate Lending and Credit Cards				
Regulation Z – Truth in Lending				
VI(g)(9)	Periodic statements? §226.7			
VI(g)(10)	Annual billing rights statement (if not otherwise provided within each periodic statement)? §226.9(a)			
VI(g)(11)	Supplemental credit devices disclosure? §226.9(b)			
VI(g)(12)	Change in Terms? §226.9(c)			
Open –End Real Estate Lending				
Regulation Z – Truth in Lending				
VI(g)(13)	Periodic statements? §226.7			
VI(g)(14)	Annual billing rights statement (if not otherwise provided within each periodic statement)? §226.9(a)			
VI(g)(15)	Supplemental credit devices disclosure? §226.9(b)			
VI(g)(16)	Change in Terms? §226.9(c)			
Regulation H – Flood Provisions				
VI(g)(17)	Notice of forced placement of flood insurance? §208.25(g)			

MODULE VI – On Line Lending – Section H – Interim Rules

Interim Rules		YES	NO	N/A
Regulation Z				
VI(h)(1)	For disclosures provided electronically pursuant to the Interim Rules, does the financial institution either:			
VI(h)(2)	Send the disclosures to the consumer's electronic address, or			
VI(h)(3)	Make the disclosures available at another location such as a web site and:			
VI(h)(4)	Alert the consumer to the disclosure's availability by sending a notice to the consumer's electronic or postal address identifying the account involved and the address where the disclosures are located; and <i>Note: Timeliness of disclosures is measured by when disclosures are sent or when both the disclosure is posted and the consumer is alerted by email. (OSC §226.36(d))</i>			
VI(h)(5)	Make the disclosure available for at least 90 days from the date the disclosures first become available or from the date of the notice alerting the consumer of the disclosure? §226.36(d) <i>Note: Disclosures under §226.5a, §226.5b(d) and §226.5b(e) are exempt from this provision. §226.36(d)(3)</i>			
VI(h)(6)	For disclosures provided by electronic communication that are returned, does the financial institution take reasonable steps to attempt redelivery? §226.36(e)			

MODULE VII – On Line Deposits – Section A – Introduction

The information in this Module will assist examiners in reviewing an institution’s electronic banking delivery system when determining compliance with the consumer deposit regulations. Examiners should review a demonstration of how all disclosures appear on the screen, as applicable. Section D of this Module contains items appearing as rules or guidance provided in the Interim Rules. Compliance with the Interim Rules is not mandatory. Examiners should consult their Reserve Bank’s management prior to reviewing web-sites that follow the Interim Rules.

INDEX-HOME

MODULE VII – On Line Deposits – Section B – Deposit Account Opening

Deposit Account Opening		YES	NO	N/A
Regulation DD – Truth in Savings				
VII(b)(1)	Does the financial institution provide disclosures required pursuant to Regulation DD via electronic communication?			
VII(b)(2)	If NO , the remainder of this checklist need NOT be completed.			
VII(b)(3)	If YES , for disclosures required under Regulation DD, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete <u>MODULE IV</u> .			
VII(b)(4)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation DD, as applicable? §230.9(c)			
VII(b)(5)	Account Disclosures? §230.4 and §230.3 <i>Note: Disclosures must be provided before an account is opened or a service is provided. For example financial institutions may have the disclosures appear automatically on the screen or by providing a non by passable link to the disclosures (OSC §230.10)</i>			
	Does the financial institution provide account disclosures via electronic communication upon request within a reasonable period of time (10 days)? §230.4(a)(2) <i>Note: Disclosures required under §230.4(a)(2) are exempt from the consumer consent provisions of the E-Sign Act.</i>			
Regulation E – Electronic Funds Transfer				
VII(b)(6)	Does the financial institution provide disclosures required pursuant to Regulation E via electronic communication?			
VII(b)(7)	If YES , for disclosures required under Regulation E, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete <u>MODULE IV</u> .			
VII(b)(8)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation E, as applicable? §205.13(b)			
VII(b)(9)	Initial Disclosures? §205.4 and §205.7 <i>Note: Disclosures must be provided at the time the consumer contracts for the service or before the first transfer is made. For example, financial institutions may have the disclosures appear automatically on the screen or by providing a non by passable link to the disclosures. (OSC §205.17(b)(3))</i>			
	What is the method used by the financial institution to verify consumers’ identity when issuing access devices electronically? §205.5			
Regulation CC – Expedited Funds Availability				
VII(b)(11)	Does the financial institution provide disclosures required pursuant to Regulation CC via electronic communication?			
VII(b)(12)	If YES , for disclosures required under Regulation CC, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete <u>MODULE IV</u> .			
VII(b)(13)	Are the following disclosures provided via electronic communication compliant with the content, timing, form, and record retention requirements of Regulation CC, as applicable? §229.13(g)(5)			
VII(b)(14)	Initial Disclosures? §229.16 and §229.17			
Regulation D&Q – Reserve Requirements and Interest on Deposits				
VII(b)(15)	If consumers are permitted to open accounts through electronic communication, does the financial institution confirm consumer eligibility for NOW and ATS accounts? §204.2(b)(3)(ii)(A)			
VII(b)(16)	Does the financial institution include electronic transfers in its monitoring of account transfer limitations? §204.2(d)(2)			
VII(b)(17)	Are time accounts redeemed early through electronic communication?			
	If YES , are minimum regulatory penalties assessed in accordance with the Regulation?			

MODULE VII – On Line Deposits – Section C – Deposit Account Subsequent Disclosures

Module VII deals with disclosures provided subsequent to the initial deposit transaction. The module can be used in conjunction with the other sections in this Module (On Line Deposits) or may be used separately. The Module was developed to address instances where individuals have opened their deposit account within the financial institution but have requested that subsequent disclosures be delivered to them online. For example, some customers may have opted to receive periodic statements electronically although they opened their deposit account by physically visiting their financial institution.

<i>Deposit Account Subsequent Disclosures</i>		YES	NO	N/A
Regulation DD – Truth in Savings				
VII(c)(1)	Does the financial institution provide disclosures required pursuant to Regulation DD via electronic communication?			
VII(c)(2)	If YES , for disclosures required under Regulation DD, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV .			
VII(c)(3)	Are the following disclosures provided via electronic communication compliant with the content, timing, and form requirements of Regulation DD, as applicable?			
VII(c)(4)	Change in Terms? §230.5(a)			
VII(c)(5)	Notices for Time Accounts? §230.5(b)			
VII(c)(6)	Periodic Statements? §230.6			
Regulation E – Electronic Funds Transfer				
VII(c)(7)	Does the financial institution provide disclosures required pursuant to Regulation E via electronic communication?			
VII(c)(8)	If YES , for disclosures required under Regulation E, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV .			
VII(c)(9)	Are the following disclosures provided via electronic communication compliant with the content, timing, and form requirements of Regulation E, as applicable?			
VII(c)(10)	Change in Terms? §205.8(a)			
VII(c)(11)	Error Resolution Notices? §205.8(b)			
VII(c)(12)	Periodic Statements? §205.9(b)			
Regulation CC – Expedited Funds Availability				
VII(c)(13)	Does the financial institution provide disclosures required pursuant to Regulation CC via electronic communication?			
VII(c)(14)	If YES , for disclosures required under Regulation CC, does the financial institution properly obtain the applicable consumer consent pursuant to E-Sign? Complete MODULE IV .			
VII(c)(15)	Are the following disclosures provided via electronic communication compliant with the content, timing, and form requirements of Regulation CC, as applicable?			
VII(c)(16)	Case-by-Case Hold Notices? §229.12			
VII(c)(17)	Exception Hold Notices? §229.13 <i>Note: Financial Institutions must not apply the large deposit exception on electronic deposits (OSC §229.13(b)).</i>			

MODULE VII – On Line Deposits – Section D – Interim Rules

<i>Interim Rules</i>		YES	NO	N/A
Regulations DD and E				
VII(d)(1)	For disclosures provided electronically pursuant to the Interim Rules, does the financial institution either:			
VII(d)(2)	Send the disclosures to the consumer's electronic address, or			
VII(d)(3)	Make the disclosures available at another location such as a web site and:			
VII(d)(4)	Alert the consumer to the disclosure's availability by sending a notice to the consumer's electronic or postal address identifying the account involved and the address where the disclosures are located; and <i>Note: Timeliness of disclosures is measured by when disclosures are sent or when both the disclosure is posted and the consumer is alerted by email. (OSC §230.10(b)(3)(ii)); and (OSC §205.17(b)(3))</i>			
VII(d)(5)	Make the disclosure available for at least 90 days from the date the disclosures first become available or from the date of the notice alerting the consumer of the disclosure? Regulation DD §230.10(d); Regulation E 205.17(b)(4)			
VII(d)(6)	For disclosures provided by electronic communication that are returned, does the financial institution take reasonable steps to attempt redelivery? Regulation DD 230.10(d)(3); Regulation E §230.17(d)(4)			