

ONLINE SECURITY IS OUR TOP PRIORITY

If you use online or mobile banking, you will be interested to learn that six federal financial industry regulators teamed up recently to make your accounts more secure. New supervisory guidance from the Federal Financial Institutions Examination Council (FFIEC) will help our Credit Union strengthen its vigilance and make sure that the person signing into your account is actually you. The supervisory guidance is designed to make online transactions of virtually all types safer and more secure.

Understanding the Factors

Online security begins with the authentication process, used to confirm that it is you, and not someone who has stolen your identity. Authentication generally involves one or more basic factors:

- Some thing the user knows (e.g., password, PIN)
- Some thing the user has (e.g., ATM card, smart card)
- Some thing the user is (e.g., biometric characteristic, such as a fingerprint).

Single factor authentication uses one of these methods; multi-factor authentication uses more than one, and thus is considered a stronger fraud deterrent. When you use your ATM, for example, you are utilizing multi-factor authentication: factor number one is something you have, your ATM card; factor number two is something you know, your PIN.

To assure your online transactions are secure, Luso Federal Credit Union uses both single and multi-factor authentication, as well as additional "layered security" measures when appropriate.

Whenever increased risk to your transaction security might warrant it, our Credit Union will be able to conduct additional verification procedures, or layers of control, such as:

- Utilizing call-back (voice) verification, e-mail approval, or cell phone-based identification.
- Employing member verification procedures, especially when opening accounts online.
- Analyzing banking transactions to identify suspicious patterns. For example, that could mean flagging a transaction in which a member who normally pays \$10,000 a month to five different vendors suddenly pays \$100,000 to a completely new vendor.
- Establishing dollar limits that require manual intervention to exceed a preset limit.

DEFEND AGAINST FRAUD

Guard Your Personal Information

8 TIPS TO FIGHT FRAUD

- 1** Immediately report lost or stolen cards to your credit union.
- 2** Cover the ATM PIN pad when entering your number.
- 3** Choose a credit and debit card PIN number that is difficult to guess, but easy for you to remember.
- 4** Do not reply to any email, text or phone requests for your social security number, credit or debit account number or any other personal information.
- 5** Monitor your credit report, credit and debit card accounts and statements for unauthorized transactions.
- 6** Shred all credit and debit card statements or financial documents before you throw them away.
- 7** Before making purchases online with your credit or debit card, make sure the website is secure and the company is reputable.
- 8** Update anti-virus and spyware software regularly.



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YOUR PROTECTIONS UNDER “REG E”

Our Credit Union follows specific rules for electronic transactions issued by the Federal Reserve Board. Known as Regulation E, the rules cover all kinds of situations revolving around transfers made electronically. Under the consumer protections provided under Reg E, you can recover internet banking losses according to how soon you detect and report them.

Here is what the Federal rules require:

If you report the losses within two days of receiving your statement, you can be liable for the first \$50. After two days, the amount increases to \$500. After 60 days, you could be legally liable for the full amount. These protections can be modified by state law or by Credit Union policies, so be sure to ask us how these protections apply to your particular situation.

MEMBER VIGILANCE - THE FIRST LINE OF DEFENSE

Of course, understanding the risks and knowing how fraudsters might trick you is a critical step in protecting yourself online. You can make your computer safer by installing and updating regularly your:

- Anti-virus software
- Anti-malware programs
- Firewalls on your computer
- Operating system patches and updates

You can also learn more about online safety and security at these websites:

- www.staysafeonline.com
- www.ftc.gov
- www.usa.gov
- www.idtheft.gov

CREDIT UNIONS & BUSINESSES TEAM UP FOR SECURITY

As someone responsible for a business credit union account, you will want to know that new supervisory guidance from the Federal Financial Institutions Examinations Council (FFIEC) is helping us strengthen our vigilance and assure that your business accounts are properly secured during money transfers of all kinds. FFIEC sets standards for the major financial industry regulators and examiners.

UNDERSTANDING THE RISKS

FFIEC studies have shown that there have been significant changes in the threat landscape in recent years. Fraudsters—many from organized criminal groups—have continued to deploy more sophisticated methods to compromise authentication mechanisms and gain unauthorized access to members’ online accounts. For example, hacking tools have been developed and automated into downloadable kits, increasing their availability to less experienced fraudsters.

As a result, online account takeovers and unauthorized funds transfers have risen substantially each year since 2005, particularly with respect to commercial accounts, representing losses of hundreds of millions of dollars.

SUMMARY OF RECOMMENDATIONS FOR BUSINESS ACCOUNTS

- Our Credit Union urges business account holders to conduct periodic assessments of their internal controls
- Use layered security for system administrators
- Initiate enhanced controls for high-dollar transactions
- Provide increased levels of security as transaction risks increase
- Offer members multi-factor authentication

IF YOU HAVE SUSPICIONS

If you notice suspicious activity within your account or experience security-related events you can contact anyone at Luso Federal Credit Union and you will be quickly and courteously guided to the person responsible for handling such issues.