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## Federal Trade Commission Delays Enforcement of Red Flags Rule Again

2009-11-05

At the request of Members of Congress, on October 30, 2009, the [Federal Trade Commission \(FTC\)](#) announced a seven-month delay in [FTC enforcement of the "Red Flags Rule,"](#) which was set to go into effect November 1. The rule requires certain financial institutions and creditors to develop and implement Identity Theft Prevention Programs to prevent, detect, and mitigate identity theft in connection with certain covered accounts. Under the new timetable, those financial institutions and creditors subject to the FTC's enforcement jurisdiction under the Fair Credit Reporting Act will have until June 1, 2010, to achieve compliance.

The same day the extension was announced, a federal judge in Washington, D.C. ruled that the Red Flags Rule did not apply to attorneys. The FTC has not yet indicated whether it plans to appeal that decision. In any event, it is important to note that regardless of this delay and the court's ruling, enforcement of the Red Flags Rule for financial institutions and creditors regulated by the federal bank regulatory agencies or the National Credit Union Administration is already in effect and has not been extended by those agencies.

### *Authors*



## Barry J. Hurewitz

PARTNER

✉ [barry.hurewitz@wilmerhale.com](mailto:barry.hurewitz@wilmerhale.com)

☎ +1 202 663 6089