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**From:** NJLM - Municipal Clerks [mailto:njlm-clerks@cityconnections.com]  
**Sent:** Friday, August 28, 2009 3:53 PM  
**To:** Lashway, Lisa  
**Subject:** Delay of Red Flag Rule until Nov 1, 2009

**LEAGUE ALERT**

Municipal Clerk: Please forward to Mayor and Governing Body.

August 28, 2009

**Re: Delay of Red Flag Rule until  
November 1, 2009**

Dear Mayor:

The Federal Trade Commissions has announced that it will further delay the enforcement of its Red Flag Rule, an anti-fraud regulation, until November 1, 2009. The delay is to give creditors, including municipalities and financial institutions, additional time to understand and comply with the requirements of the rule, which include developing and implementing written identity theft programs.

The Red Flag Rule impacts any local unit that operates a utility or other activity that extends credit (i.e. bills consumers for utility services after they are received). The Red Flag Rule does not affect the property tax billing and collection process or fiscal activities where users are billed in advance and credit is not provided.

On April 28, 2009 the Division of Local Government Services issued Local Finance Number 2009-09 ([www.nj.gov/dca/lgs/lfns/09lfns/2009-9.doc](http://www.nj.gov/dca/lgs/lfns/09lfns/2009-9.doc)) which addresses the municipality's responsibility to adopt procedures and explains the requirements necessary to comply with the FTC regulations.

Additional information regarding the guidance, compliance, and frequently asked questions can be found at [www.ftc.gov/opa/2009/07/redflag.shtm](http://www.ftc.gov/opa/2009/07/redflag.shtm).

Very truly yours,

William G. Dressel, Jr.  
Executive Director NJLM 222 West State Street Trenton, NJ 08608