

Questions about the Thumbprint Signature Program

Following is a summary of some of the most frequently asked questions we have received about the program from participants and other interested parties:

Have I missed the deadline for participating and ordering supplies?

No, banks can join the program at any time simply by contacting your State Banking Association. Your order will be processed within 48 hours of the time it is placed. Please allow time for shipping.

Will the fingerprint actually be visible on the check?

Yes, the fingerprint will be immediately visible on the check so that a bank employee can verify there is a good impression. The “inkless” feature refers to the fact that the fingerprint pad will not leave a residue on your hand. In addition, the print is clearly visible on a photocopy or a microfilm of the check.

Can a bank require a fingerprint on a government check?

Yes, a bank can require a fingerprint when cashing a government check for a noncustomer, provided that, the bank has not entered into an agreement with a regulator or other government entity under which it agrees to cash government checks for noncustomer on the same terms as it cashes checks for its customers.

Where are the thumb printed checks stored? Is a database maintained?

The thumbprint check travels through the normal channels of the bank, just as a check would. The checks are not segregated and no database is maintained. The thumbprinted checks are used by law enforcement agencies only in the case of check fraud.

What should I do if I suspect check fraud?

Tellers and officers should follow established reporting procedures regarding known or suspected fraudulent transactions, including contacting local law enforcement personnel, as well as the FBI.

What if a noncustomer objects to giving their thumbprint?

The program has met only minimal public criticism (less than 1% of noncustomers refused to provide thumbprints in the pilot program). If a noncustomer objects to providing a thumbprint, you have two options: invite him/her to open an account, or refer the person to another institution. Not all banks participate in the program at this time. Although it is best if bank personnel avoid engaging in a discussion of the legalities of the program, you should be assured that the request for a thumbprint of a noncustomer is not a violation of either federal or state laws.

Must the bank obtain a fingerprint on every noncustomer?

Each bank participating in the **Thumbprint Signature** program is advised to have written policies and procedures governing how the program will be used. Although a bank has some discretion in establishing its policy, it is critical that the policy is applied consistently to avoid allegations of discriminatory treatment. For example:

- If a bank's policy is to require a fingerprint on all noncustomers cashing a check, whether an "on us" check or otherwise, the policy must be applied consistently. Tellers and other bank personnel should not be authorized to waive or modify the policy.
- A bank can establish a dollar threshold below which it will not require a fingerprint. Again, the policy must be applied consistently. Tellers and other bank personnel should not be authorized to waive or modify the policy.
- A bank can choose to cash "on us" checks without requiring a fingerprint; however, because stolen or forged payroll checks often account for a significant portion of bank losses due to fraud, such a policy could dilute the effectiveness of the program. Again, the policy must be applied consistently. Tellers and other bank personnel should not be authorized to waive or modify the policy.
- A small town bank can choose to fingerprint only those noncustomers living outside their county if the boundaries of the county are explicitly defined in the bank's policy. A subjective determination by a teller or other bank personnel of whether a particular address is in the county should be avoided. The policy must be applied consistently. Tellers and other bank personnel should not be authorized to waive or modify the policy.

These are just a few examples on how a bank can structure its policy on the **Thumbprint Signature** program. Generally, the simpler the policy, i.e., requiring fingerprints on all noncustomer checks, the easier it will be to carry out. In evaluating your policy, be mindful that unlawful discrimination can occur in three ways:

1. When a policy is discriminatory on its face;
2. When a policy is not discriminatory on its face, but is applied in a discriminatory manner; and
3. When a policy is neither discriminatory on its face nor applied in a discriminatory manner, but has the effect of discriminating against a protected class.

For more information about the Thumbprint Signature program, please contact your State Bankers Association.