

Kentucky Bankers Association

Thumbprint Signature Program

General Information and Recommended Operating Policies for Financial Institutions

GENERAL INFORMATION

Effective December 1, 1995, participating Kentucky financial institutions began using a new security device referred to as the Thumbprint Signature touch pad. The touch pad was intended to deter counterfeit and stolen check fraud by obtaining a Thumbprint Signature (fingerprint) from **non-customers** (customers who do not have a depository relationship with the institution) when cashing on-us and not-on-us checks. The Thumbprint Signature can be used by law enforcement agencies in the investigation of fraud claims made by account holders, and financial institution's usage of the program is a natural deterrent. Participants will not retain the Thumbprint Signature in their files and the signature will be shared with law enforcement officials only in cases of suspected fraud.

BACKGROUND

The Texas Bankers Association developed the Thumbprint Signature program after pilot programs in Arizona and Nevada were found to be helpful in decreasing check cashing fraud. Texas banks saw an average of up to 70 percent decreases in check fraud after implementation of the program. In addition, less than 1 percent of presenters refused to provide the requested fingerprint.

TOUCH PAD DESCRIPTION

The touch pad is a one-inch inkless fingerprinting device that leaves no residue on the finger. Users simply rub their fingers together and any remaining ink disappears. The touch pad is not the same as an ink pad and will not leave ink on a user's finger or clothing.

HOW THE TOUCH PAD WORKS

The presenter of the check presses the thumb of his or her right hand on the pad and places the impression of the finger on the face of the check between the memo and signature lines. If the presenter is disabled and cannot use his or her right thumb, an impression of the left thumb is placed on the check and noted "left hand" on the check next to the thumbprint. Should both thumbs be disabled, an impression of the right index finger is taken and "right index finger" is noted next to the print.

NOTE: The Thumbprint Signature is not used as identification, but is recorded in addition to customary I.D.

CARE OF TOUCH PADS

Touch pads should be closed when they are not being used to prevent the pads from drying out. The pads, when cared for properly, will last up to 18 months or will produce 400 to 600 impressions before having to be replaced.

HOW TO OBTAIN THUMBPRINT SIGNATURE PADS

All participating financial institutions must place their orders through their state banking association. Contact information is located at the end of this document.

WHEN TO OBTAIN A THUMBPRINT SIGNATURE

A Thumbprint Signature should be obtained when:

- a non-customer presents an on-us or not-on-us check for encashment. This includes employees of commercial or business account customers who present payroll checks drawn on the participating institution.
- a non-customer presents an on-us check for exchange to a cashier's check.
- a non-customer presents a government check for encashment.

NOTE: To comply with all applicable federal laws and regulations, a Thumbprint Signature should be obtained from **every** non-customer **every time** a check is presented for payment. Distinctions should not be made based on appearance or suspicious versus non-suspicious circumstances. Financial institutions in rural markets may want to develop a specific policy requiring a Thumbprint Signature only from non-residents of the community or county, but it is important to apply equal treatment to all non-customers once a policy is adopted.

USE OF THE PROGRAM IN DRIVE-IN FACILITIES

It is recommended that non-customers seeking to cash checks be required to enter the premises to complete their transaction and to affix their Thumbprint Signature to the face of the check. Some participants may elect to adopt policies providing for the use of Thumbprint Signature pads in drive-in facilities and others may elect to permit non- customers to cash checks through drive-in facilities only after normal banking hours.

REACTION OF LAW ENFORCEMENT AUTHORITIES AND BANK REGULATORS

Details of the Thumbprint Signature program have been shared with the FBI, many local law enforcement authorities, and the bank regulatory agencies, and the program has received widespread support from these and other groups.

PROGRAM IDENTIFICATION, CUSTOMER AWARENESS, AND COLLATERAL MATERIALS

A Thumbprint Signature logo has been developed and generic customer information materials are available for use in making customers and non-customers aware of an institution's participation in the program. It is recommended that participants use a Thumbprint Signature decal on all entrances to banking facilities. Security professionals believe this early visibility of the program will act as a significant deterrent. Camera-ready materials are available for institutions wishing to customize the materials with their own names and logos. Camera-ready art or generic materials may be purchased from your state banking association.

NOTIFICATION TO BUSINESS/COMMERCIAL CUSTOMERS

It is recommended that all participating financial institutions write to their business/commercial customers at least two weeks prior to implementing the Thumbprint Signature program. Letters and/or follow-up telephone calls should encourage these customers to notify their employees that a Thumbprint Signature will be required if the employees are not depository customers of the institution. Notification of the program is a courtesy to business/commercial customers and will assist in the process of making the policy known to larger numbers of non-customers who may seek to cash checks. Your state banking association may have a prototype letter for use in notifying customers or you can purchase Thumbprint Signature Program statement stuffers from your state banking association to use as a public service announcement to all account holders.

STEPS TO USE IN OBTAINING A THUMBPRINT SIGNATURE

Tellers and other personnel should use the following procedures to obtain a presenter's Thumbprint Signature:

Step 1: Obtain required identification from the presenter.

Step 2: Explain the following to the presenter:

"In order to protect the bank's depositors, we require a Thumbprint Signature on the face of the check. The touch pad is not like an ink pad and will not stain hands or clothes. Our bank has joined other state financial institutions in implementing this program to eliminate check fraud."

If necessary, demonstrate use of the pad by obtaining your own fingerprint. Rub your index finger with your thumb to show the material quickly disappears.

If the presenter refuses to provide the Thumbprint Signature, return the check to the presenter and explain the bank will not cash the check.

Step 3: Request the Thumbprint Signature by stating the following:

"Please press your right thumb on this pad and then press the finger onto the check--right here (pointing to the area of the check between the memo and signature lines)."

Obtain the presenter's Thumbprint Signature between the memo line and signature line. If this is not possible, select a clear place on the face of the check away from all writing and printed information.

If the presenter "drags" their finger, request the Thumbprint Signature again and instruct the presenter to place the signature in a clear spot on the check.

Step 4: Record the identification information on the check and return the identification to the presenter.

Step 5: Process the transaction utilizing normal operating procedures.

SUSPICIOUS ACTIVITY

If the presenter leaves the branch abruptly, and leaves the identification or the check, immediately contact a supervisor or your security personnel. Tellers should document the time and date of the transaction and the presenter's description. Tellers and officers should follow established documentation and reporting procedures regarding known or suspected fraudulent transactions.

HOW TO OBTAIN THUMBPRINT SIGNATURE PADS

Complete a order form [Thumbprint Order Form](#)