

## VI. Deposits — EFTA

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feature, for example, one permitting direct extensions of credit that do not involve the asset account. In general, an institution may issue an access device to a consumer only if:

- it is requested (in writing or orally) or applied for; or
- it is a renewal of, or in substitution for, an accepted access device (as defined in § 205.2(a)).

An institution may issue an access device to each account holder (on a joint account) for whom the requesting holder specifically requests an access device.

An institution may issue an unsolicited access device only if the following four conditions are satisfied:

1. the access device is not validated, meaning, the device is not yet activated;
2. the access device is accompanied by the explanation that it is not validated and of how it may be disposed of if the consumer does not wish to validate it;
3. the access device is accompanied by a complete disclosure, in accordance with § 205.7, of the consumer's rights and liabilities that will apply if the access device is validated; and
4. the access device is validated only upon oral or written request from the consumer and after a verification of the consumer's identity by some reasonable means.

These conditions are intended to reduce the potential for unauthorized use if the access device is lost or stolen en route to the consumer and to ensure that the consumer is informed of account terms and conditions before deciding whether to accept the responsibilities of having an access device.

### **Liability of Consumers for Unauthorized Transfers – §205.6**

A consumer may be held liable for unauthorized EFTs (as defined in § 205.2(m)) only if:

- the institution has provided the following written disclosures to the consumer:
  - a summary of the consumer's liability for unauthorized EFTs;
  - the telephone number and address for reporting that an unauthorized EFT has been or may be made; and
  - the institution's business days.
- the access device is accepted (as defined in § 205.2(a)); and
- the institution has provided a means to identify the consumer to whom the access device was issued.