

Press Releases

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OTS 03-40 - Joint Release: Federal Regulators Seek Public Comment on Ways to Improve Privacy Notices

Office of Thrift Supervision

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For further information

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Joint Release

**Board of Governors of the Federal Reserve System
Commodity Futures Trading Commission
Federal Deposit Insurance Corporation
Federal Trade Commission
National Credit Union Administration
Office of the Comptroller of the Currency
Office of Thrift Supervision
Securities and Exchange Commission**

Federal Regulators Seek Public Comment on Ways to Improve Privacy Notices

Eight federal regulators today announced an advance notice of proposed rulemaking (ANPR) requesting public comment on ways to improve the privacy notices financial institutions provide to consumers under the Gramm-Leach-Bliley Act (GLB Act).

The ANPR describes various approaches that the agencies could pursue to allow or require financial institutions to provide alternative types of privacy notices that would be more readable and useful to consumers. It also seeks comment on whether differences between federal and state laws pose any special issues for developing a short privacy notice.

Section 503 of the GLB Act requires financial institutions to provide a notice to each customer that describes the institution's policies and practices regarding the disclosure to third parties of nonpublic personal information. In 2000, the agencies published consistent final regulations that implement these provisions, including sample clauses that institutions may use in privacy notices. However, the regulations do not prescribe any specific format or standardized wording for privacy notices.

The agencies do not propose the adoption of any specific action at this time to improve privacy notices. Instead, the agencies request input on what approaches would be most useful to consumers while taking into consideration the burden on financial institutions.

The ANPR was developed jointly by the Board of Governors of the Federal Reserve System, Commodity Futures Trading Commission, Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, Office of the Comptroller of the Currency, Office of Thrift Supervision, and Securities and Exchange Commission.

The agencies will evaluate the public comments on the ANPR with a view toward developing proposals for appropriate interpretations or amendments to their respective regulations. In the event that the agencies decide to proceed, the agencies expect to do so through proposed rulemaking. The agencies also expect that consumer testing will be a key component in the development of any specific proposal.

A copy of the ANPR is attached. Written comments may be submitted within 90 days of its publication in the Federal Register, which is expected in early January.

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The Office of Thrift Supervision (OTS), a bureau of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at www.ots.treas.gov.

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Attachments

Interagency Proposal to Consider Alternative Forms of Privacy Notices under the Gramm-Leach-Bliley Act (12/23/2003) - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-40a.pdf>

ANPR - Privacy Policy (Opt Out) Appendix A - (12/23/2003) - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-40b.pdf>

ANPR - Privacy Policy (Opt Out) Appendix B - (12/23/2003) - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-40c.pdf>

ANPR - Privacy Policy (Opt Out) Appendix C - (12/23/2003) - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-40d.pdf>

ANPR - Privacy Policy (Opt Out) Appendix D - (12/23/2003) - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2003-40e.pdf>