

From: "Hutchison, John" <Hutchison.John@ccbg.com> on 08/31/2004 09:46:39 AM

Subject: EGRPRA

To Board of Governors, Federal Reserve System:

The Gramm-Leach-Bliley Act of 1999 established requirements to provide privacy notices at the time of account opening and on an annual basis, as detailed in Regulation P. The initial mailing of privacy notices (prior to July 1, 2001) served the important purpose of informing consumer customers about a financial institution's privacy policy. Since that date, a privacy notice must be provided to each new deposit, loan, and other financial services consumer customer at the time a new account is opened. It is also routinely provided on institution web sites. The initial notice is important to consumers because it informs them about the way the institution will handle their non-public personal financial information, and they can choose to do business or not, based on that information.

Presently, GLBA requires a financial institution to provide their privacy policy notice to consumer customers again every year. At our bank, we find that our clients frequently complain about getting these notices each year. Typically, they say they would rather we paid higher rates on deposits than postage to mail notices they have already seen. To the extent that we can, we send the majority of these notices as statement stuffers, but some segments of our customer base do not have a service or product that receives an annual statement. For those customers, we must do a direct mail of the privacy notice. The annual notice requirement is a costly (in printing, postage and man hours) and non-productive exercise that adds to the institution's regulatory burden without providing the customer with any new information.

After an institution has provided an initial privacy policy notice, unless the policy changes, it is both unreasonable and unnecessary to require the bank to provide repetitive copies of that same policy annually. The GLBA notice requirements would be much more meaningful to the customer and efficient and cost effective to the financial institution if the notice is sent only if the institution's privacy policy is changed. That way, the customer would know that something is changed whenever they get a notice, and would be more likely to read it to see what might have changed.

Thank you for allowing me the opportunity to comment.

John M. Hutchison, CRCM

Senior Vice President - Compliance

Capital City Bank Group
P O Box 900
Tallahassee, FL 32302
(850) 671-0642