

**DEPARTMENT OF THE TREASURY, Office of the Comptroller of the Currency  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
FEDERAL DEPOSIT INSURANCE CORPORATION  
DEPARTMENT OF THE TREASURY, Office of Thrift Supervision  
NATIONAL CREDIT UNION ADMINISTRATION  
FEDERAL TRADE COMMISSION  
COMMODITY FUTURES TRADING COMMISSION  
SECURITIES AND EXCHANGE COMMISSION**

**Public Workshop on Financial Privacy Notices**

**AGENCIES:** Office of the Comptroller of the Currency (OCC); Board of Governors of the Federal Reserve System (Board); Federal Deposit Insurance Corporation (FDIC); Office of Thrift Supervision (OTS); National Credit Union Administration (NCUA); Federal Trade Commission (FTC); Commodity Futures Trading Commission (CFTC); and Securities and Exchange Commission (SEC).

**ACTION:** Joint Notice Announcing Public Workshop and Requesting Public Comment.

**SUMMARY:** The OCC, Board, FDIC, OTS, NCUA, FTC, CFTC, and SEC (“the Agencies”) are planning to host a joint public workshop to educate the Agencies and the public about how financial institutions can provide consumers with effective notice of their privacy policies and practices as required by Title V of the Gramm-Leach-Bliley Act, 15 U.S.C. 6801 et seq. (the “GLB Act” or “Act”).

**DATES:** The workshop will be held on Tuesday, December 4, 2001, from 9:00 a.m. to 5:00 p.m. at the Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, DC 20580.

Pre-registration: The event is open to the public and there is no fee for attendance. However, attendees are strongly encouraged to pre-register, as seating will be limited. To pre-register, please email your name and affiliation by November 16, 2001, to [glbworkshop@ftc.gov](mailto:glbworkshop@ftc.gov).

Requests to participate as a panelist: As discussed below, written requests to participate as a panelist in the workshop must be filed on or before October 15, 2001. Persons filing requests to participate as a panelist will be notified on or before November 16, 2001, if they have been selected to participate.

Written comments: Whether or not selected to participate, persons may submit written comments on the Questions to be Addressed at the workshop. Such comments must be filed on or before January 4, 2002.

**ADDRESSES:** Written comments and requests to participate as a panelist in the workshop should be submitted to: Secretary, Federal Trade Commission, Room 159, 600 Pennsylvania Avenue, N.W., Washington, DC 20580. Alternatively, they may be emailed to [glbworkshop@ftc.gov](mailto:glbworkshop@ftc.gov).

**FOR FURTHER INFORMATION CONTACT:** Toby Milgrom Levin, Division of Advertising Practices, 202-326-3224, or Julie Brof, Division of Financial Practices, 202-326-3224. Both of the above staff can be reached by mail at: Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, DC 20580.

Interested parties may also contact the following staff at the Agencies:

OCC: Amy Friend, Assistant Chief Counsel, 202-874-5200  
Board: Ky Tran-Trong, Attorney, Division of Consumer and Community Affairs, 202-452-3667  
FDIC: Stacy Messett, Review Examiner, Division of Compliance and Consumer Affairs, 202-942-3406  
OTS: Cindy Baltierra, Program Analyst, 202-906-6540  
NCUA: Mary Rupp, Staff Attorney, Office of General Counsel, 703-518-6553  
CFTC: Nancy Yanofsky, Assistant Chief Counsel, Division of Economic Analysis, 202-418-5260  
SEC: Penelope Saltzman, Senior Counsel, Office of Regulatory Policy, Division of Investment Management, 202-942-0690

## **SUPPLEMENTARY INFORMATION:**

### **Background and Workshop Goals**

The GLB Act (Pub. L. No. 106-102) was signed into law on November 12, 1999. Subtitle A of Title V of the Act, captioned “Disclosure of Nonpublic Personal Information,” limits the instances in which a financial institution may disclose nonpublic personal information about a consumer to nonaffiliated third parties, and requires a financial institution to disclose to all of its customers the institution’s privacy policies and practices with respect to information sharing with both affiliates and nonaffiliated third parties.<sup>1</sup> With certain exceptions, the Act also prohibits a financial institution from disclosing nonpublic personal information about a consumer to nonaffiliated third parties if the consumer opts out of the disclosure.

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<sup>1</sup> 15 U.S.C. 6801 *et seq.* The implementing regulations are set forth at 12 CFR part 40 (OCC); 12 CFR part 216 (Board); 12 CFR part 332 (FDIC); 12 CFR part 573 (OTS); 12 CFR part 716 (NCUA); 16 CFR part 313 (FTC); and 17 CFR part 248 (SEC).

The Act directed each of the Agencies to adopt regulations implementing these provisions.<sup>2</sup> Compliance with those regulations was required not later than July 1, 2001.<sup>3</sup> Each Agency's final rule requires that financial institutions provide clear, conspicuous, and accurate notice of their privacy policies and practices to their customers. Each rule also specifies the general content (but not the particular language) to be included in the notices and provides sample clauses designed to illustrate the appropriate level of detail.

Some consumer and privacy advocates and others have expressed concerns about the adequacy of a number of privacy notices provided thus far, stating, for example, that the notices are confusing and/or misleading and that the opt-out disclosures are hard to find. At the same time, some financial institutions, which are implementing these rules for the first time, have sought additional guidance from the Agencies about the form and content of their notices. The Agencies therefore believe that it would be useful to provide a public forum to discuss strategies for providing effective notices. The workshop will bring together financial institutions, consumer and privacy groups, experts on readability and consumer communication, and others to discuss the issues through moderated panel discussions. The Agencies anticipate that the workshop will provide a greater understanding of the challenges financial institutions face in developing effective notices under the Act and may also be a vehicle for developing consumer and business education materials about GLB notice issues.

### **Registration Information**

The workshop will be open to the public and there is no fee for attendance. As discussed above, pre-registration is strongly encouraged, as seating will be limited. To pre-register, please email your name and affiliation to [glbworkshop@ftc.gov](mailto:glbworkshop@ftc.gov) by November 16, 2001. A detailed agenda and additional information on the workshop will be posted on the FTC's website at [www.ftc.gov/glbworkshop](http://www.ftc.gov/glbworkshop) before December 4<sup>th</sup>. After the workshop, a transcript will be posted on the website.

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<sup>2</sup>Persons or entities subject to the jurisdiction of the CFTC were initially excluded from the coverage of the GLB Act. 15 U.S.C. 6809(3)(B). That was changed by the Commodity Futures Modernization Act of 2000, which made the CFTC a federal functional regulator under the GLB Act, and required it to promulgate privacy regulations for certain persons or entities subject to its jurisdiction. 7 U.S.C. 7b-2. The CFTC's implementing regulations are set forth at 17 CFR part 160.

<sup>3</sup>The compliance date for the CFTC's final privacy rule is March 31, 2002. 17 CFR 160.18.

## Questions to be Addressed

The questions to be addressed at the workshop include:

1. What challenges are associated with providing effective privacy notices?
2. What are some examples of privacy notices that are easy to read and understand and that can serve as models for effective communication to consumers? What formats are particularly effective?
3. What can we learn from readability and communications experts that will help financial institutions draft notices that are easy to read and easy to find?
4. Are any industry groups developing self-regulatory guidelines or “best practices” regarding GLB privacy notices and reasonable opt-out methods? Are there useful models or guidelines from other contexts, such as online privacy, that could provide guidance here?
5. Have individual financial institutions or industry, consumer, or privacy groups developed effective business and consumer education materials regarding GLB privacy policies? Would it be useful for the Agencies or others to develop additional consumer and business education materials regarding GLB privacy policies?<sup>4</sup>

## Form and Availability of Comments

The Agencies request that interested parties submit written comments on the above questions to facilitate greater understanding of the issues. Of particular interest are any studies, surveys, research, or other empirical data related to these questions. Comments should indicate the number(s) of the specific question(s) being answered, provide responses to questions in numerical order, and use a new page for each question answered. Comments should be captioned “GLB Act Notice Workshop -- Comment, P014814,” and must be filed on or before January 4, 2002.

Parties sending written comments should submit an original and two copies of each document. To enable prompt review and public access, paper submissions should

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<sup>4</sup>The FDIC has published guidance for consumers about the GLB Act, available at [www.fdic.gov/consumers/consumer/news/index.html](http://www.fdic.gov/consumers/consumer/news/index.html). Later this year, the Agencies expect to issue additional consumer education materials on the GLB Act, which will be available online as well.

include a version on diskette in PDF, ASCII, WordPerfect, or Microsoft Word format. Diskettes should be labeled with the name of the party, and the name and version of the word processing program used to create the document. Alternatively, comments may be emailed to [glbworkshop@ftc.gov](mailto:glbworkshop@ftc.gov), and should include the same information requested above.

Written comments will be available for public inspection in accordance with the Freedom of Information Act, 5 U.S.C. 552, and FTC regulations, 16 CFR part 4.9, Monday through Friday between the hours of 8:30 a.m. and 5:00 p.m. at the Public Reference Room 130, Federal Trade Commission, 600 Pennsylvania Avenue, N.W., Washington, DC 20580. This notice and, to the extent technologically possible, all comments will also be posted on the FTC website at [www.ftc.gov/glbworkshop](http://www.ftc.gov/glbworkshop), and a link to this site will appear on the website of each of the participating Agencies.

### **Requests to Participate as a Panelist in the Workshop**

Those parties who wish to participate as panelists in the workshop must notify the FTC in writing of their interest in participating on or before October 15, 2001, either by mail to the Secretary of the FTC or by email to [glbworkshop@ftc.gov](mailto:glbworkshop@ftc.gov). Requests to participate as a panelist should be captioned "GLB Act Notice Workshop -- Request to Participate, P014814." Parties are asked to include in their requests a statement setting forth their expertise in or knowledge of the issues on which the workshop will focus and their contact information, including a telephone number, facsimile number, and email address (if available), to enable the Agencies to notify them if they are selected. An original and two copies of each document should be submitted. Panelists will be notified on or before November 16, 2001 whether they have been selected.

Using the following criteria, Agency staff will select a limited number of panelists to participate in the workshop. The number of parties selected will not be so large as to inhibit effective discussion among them.

1. The party has expertise in or knowledge of the issues that are the focus of the workshop.
2. The party's participation would promote a balance of interests being represented at the workshop.
3. The party has been designated by one or more interested parties (who timely file requests to participate) as a party who shares group interests with the designator(s).

In addition, there will be time during the workshop for those not serving as panelists to ask questions.

THIS SIGNATURE PAGE PERTAINS TO THE OFFICE OF THE COMPTROLLER OF THE CURRENCY'S NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL PRIVACY NOTICES"

Dated: September 14, 2001.

(signed) John D. Hawke, Jr.  
John D. Hawke, Jr.  
Comptroller of the Currency

THIS SIGNATURE PAGE PERTAINS TO THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL PRIVACY NOTICES"

By order of the Board of Governors of the Federal Reserve System, September 21, 2001.

(signed) Jennifer J. Johnson  
Jennifer J. Johnson  
Secretary of the Board

THIS SIGNATURE PAGE PERTAINS TO THE FDIC'S PORTION OF THE JOINT INTERAGENCY NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL PRIVACY NOTICES"

Dated at Washington, DC this 18<sup>th</sup> day of September 2001.

FEDERAL DEPOSIT INSURANCE CORPORATION

(signed) Robert E. Feldman  
Robert E. Feldman  
Executive Secretary

This signature page pertains to the OFFICE OF THRIFT SUPERVISION notice captioned "Public Workshop on Financial Privacy Notices"

Dated: September 13, 2001

By the Office of Thrift Supervision

(signed) Ellen Seidman  
Ellen Seidman,  
Director

THIS SIGNATURE PAGE PERTAINS TO THE NATIONAL CREDIT UNION ADMINISTRATION'S NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL PRIVACY NOTICES"

By the National Credit Union Administration Board on September 5<sup>th</sup>, 2001.

(signed) Becky Baker  
Becky Baker  
Secretary of the Board

THIS SIGNATURE PAGE PERTAINS TO THE FEDERAL TRADE COMMISSION NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL PRIVACY NOTICES"

By direction of the Commission.

(signed) Donald S. Clark  
Donald S. Clark  
Secretary of the Commission

THIS SIGNATURE PAGE PERTAINS TO THE COMMODITY FUTURES TRADING COMMISSION NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL PRIVACY NOTICES"

Issued in Washington, DC, on this 5<sup>th</sup> day of September 2001 by the Commission.

(signed) Catherine D. Dixon  
Catherine D. Dixon  
Assistant Secretary, Commodity Futures Trading Commission

THIS SIGNATURE PAGE PERTAINS TO THE SECURITY AND EXCHANGE  
COMMISSION'S NOTICE CAPTIONED "PUBLIC WORKSHOP ON FINANCIAL  
PRIVACY NOTICES"

By the Commission.

(signed) Jonathon G. Katz  
Jonathan G. Katz  
Secretary

September 21, 2001