



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-65-2009
November 17, 2009

MODEL PRIVACY NOTICE FORM

Final Rule

Summary: The FDIC and seven other federal agencies have released a final model privacy notice form that is designed to make it easier for consumers to understand how financial institutions collect and share their personal information. Under the Gramm-Leach-Bliley Act (GLBA), institutions must notify consumers of their information-sharing practices and inform consumers of the right to opt out of certain sharing practices. The model form can be used by financial institutions to comply with these requirements. Attached is the final rule on the final model privacy form.

Distribution:
FDIC-Supervised Institutions

Suggested Routing:
Compliance Officer

Related Topics:
Privacy of Consumer Financial Information
12 C.F.R. Part 332

Attachment:
Final Rule

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Note:
FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at <http://www.fdic.gov/news/news/financial/2009/index.html>.

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Highlights:

- The model privacy form was developed jointly by the FDIC, the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, the Federal Trade Commission, the National Credit Union Administration, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and the U.S. Securities and Exchange Commission.
- The agencies conducted consumer testing to help design a model privacy notice that makes the disclosures easier for consumers to comprehend.
- Financial institutions that choose to provide the model privacy form to their customers will be deemed in compliance with the privacy provisions of GLBA.
- The Appendix to Part 332 of the FDIC's Rules and Regulations currently contains model language (called sample clauses) that institutions may use in their privacy notices and, if so, they are deemed to be in compliance with the privacy provisions of GLBA. The rule removes, after a transition period, these sample clauses and the associated compliance safe harbor. Thus, financial institutions will not be able to rely on the safe harbor for the sample clauses incorporated into notices that are delivered to consumers on or after January 1, 2011. The sample clauses will be removed entirely from Part 332 on January 1, 2012.
- To obtain a compliance safe harbor after the sample clauses are removed, financial institutions may use the new model privacy notice form.