



May 24, 2007

Mr. Robert E. Feldman, Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

RE: Model Privacy Form

Dear Mr. Feldman:

Thank you for the opportunity to comment regarding the proposed revisions to the model privacy form under the GLBA. We are an \$875 million Florida-based community bank that currently uses the model clauses in the Privacy regulation for our privacy notice. We have a joint marketing agreement and offer our products through use of a mailing company, but don't utilize the opt-out provision.

I agree that it is time for the regulatory agencies to begin using more consistent, clear and conspicuous documents to enable consumers to understand, compare, and read disclosures. Hopefully this trend will continue. The model form is certainly more precise, easier to read, and may or may not be used by our institution in order to have a safe harbor provision (depends on the finalized regulations).

Please consider the following comments in response to your request for comments:

- The General Instructions to the model privacy notice states in 3.a. that "Financial institutions that use the model form must use an easily readable type font. Easy readable type font includes a minimum of 10-point font and sufficient spacing between the lines of type." However, when you read the "Supplementary Information" for the "Appearance of the Model Form," it not only discusses type size but also leading space and type style. It provides a table that summarizes recommendations discussed in this section. For type style it states, in part, that "The Agencies are not mandating a particular type style or x-height in order for a financial institution to obtain a safe harbor." The last paragraph in this section also states "For ease of reference, the following table summarizes the recommendations discussed here for institutions that choose to use the model form and obtain the safe harbor." The table or recommendations are not included in the General Instructions and thus, may be overlooked and not followed. I also would like clarification that these are only "recommendations" and that if they are not used (other than the 10-point font), we would still have a safe harbor provision.

- The model form for those institutions not using an opt-out should have some similar language included such as “Due to our privacy practices, you do not have an opt-out opportunity.” Of course, this would not work in the case of states that have an “opt-in” law, but it would make it clearer to consumers and institutions would field less calls about a customer wanting to “opt-out” when they don’t have that choice.
- I feel institutions should not be required to alert consumers to changes in an institution’s privacy practices as part of the model form.
- **I strongly disagree with the format of having a separate page for each section of the model privacy notice (which would be either two or three separate pages), including using 8 ½” x 11” sheets of paper.** I find it disconcerting that the “Reporting, Recordkeeping, and Other Compliance Requirements” section for the Regulatory Flexibility Act states, in part, that some of the financial institutions “may wish to transition to the proposed model form and may incur some small, incremental costs in making this transition.” We currently have our privacy notice on one side of an 8 ½” x 11” sheet of paper that complies with the current regulation and has used the model clauses. **Not only would it be costlier to print more pages using the proposed model notice (two separate sheets in our bank’s case), the mailing costs would be significantly higher for collating, folding, stuffing, and postage of more sheets of paper into an envelope.** Generally, the privacy notices are sent with a customer’s statements so the cost of postage may increase. For those customer’s who don’t have accounts with a statement, it would cost the bank more money to fold and stuff the two-page notice in an envelope than simply inserting our current one-page vendor-provided privacy notice that is already folded and ready for stuffing. **The objective of this proposal is to improve the language of the notice and should not be to burden financial institutions with additional mailing costs.** *It’s onerous enough that we have to send these notices annually to our customers (even when no privacy requirements have changed), and our industry has to bear the brunt of financial costs involved with this regulatory requirement.* If we didn’t have the annual privacy notice mailing requirement, I would not be opposed to having 2 to 3 separate sheets of paper since those can be easily given to the customers at account opening or when a loan is closed (although the paper costs is still more). If no changes are made to this proposed requirement of having separate sheets of paper, we will most likely NOT use the proposed model form since it would cost us much less to mail out the current one-page privacy notice. **My recommendation is that we have the option of using both sides of one sheet of 8 1/2” x 11” paper to reduce the costs involved with printing additional sheets.** I’ve not tested it, but it may be a possibility to also include all the information on one-side (for those not having an opt-out) of an 8 ½” x 11” paper and still utilize a 10-point type size.
- If we do use the model form, we may utilize a logo that can have 2 to 3 colors. Please clarify whether a colored logo can be used since it is not specific in the proposal.
- I would like to see a web-based design that we could use if we decide to use the same notice on our bank’s website.
- In order to save costs, it would be helpful for the Agencies to develop and make available a downloadable model form with “fillable” fields for institutions that may create the form in-house. It most likely would be used by our institution if we make the decision to use the proposed model notice.

- Our current privacy notice includes all branch office addresses, telephone numbers, and hours of operation on one section of the pamphlet. Please clarify whether this can or cannot be included if the proposed model privacy notice is utilized.

Thank you for your consideration of these comments.

Sincerely,

Cheryl Nakashige, VP
Compliance Officer
Citrus & Chemical Bank
cnakashige@candcbank.com

*Cheryl Nakashige, VP
Compliance Officer*