

PRIVACY OF CONSUMERS' FINANCIAL INFORMATION PART 7 NOTICE DELIVERY

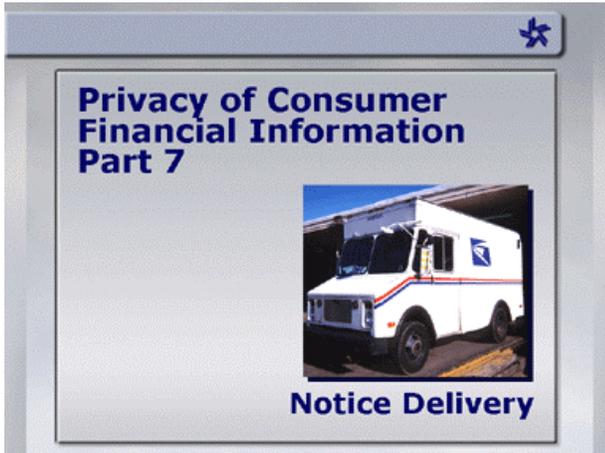
RESOURCES PROVIDED THROUGH



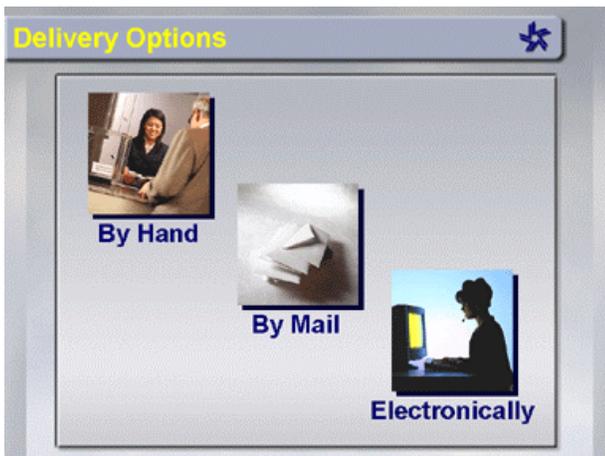
APRIL 2001

Slides

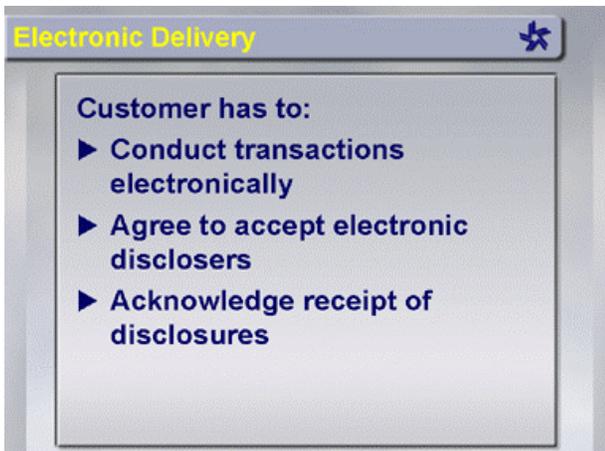
Narration



This presentation will look at some of the requirements for delivering privacy-related notices, as set out in the regulation.



Banks have several options for delivering notices. They can deliver written notices in person, by mail (to the consumer's last known address), or the bank can communicate electronically.



However, if the bank intends to use electronic delivery, the customer has to actually conduct transactions electronically, has to agree to accept the disclosures electronically, and has to acknowledge receipt as a necessary step in obtaining a product or service from the bank.

Electronic Posting



- ▶ Bank's Web site



For those customers who have agreed, the bank can then post annual notices, conspicuously and continuously, on its Web site. By the way, small print in the lower corner of the bank's Website welcome screen does not meet the criteria of "conspicuously."

Electronic Posting



- ▶ Bank's Web site
- ▶ ATM machines



If the bank collects consumer information at ATMs and intends to disclose that information to nonaffiliated third parties (outside the exceptions provided in the rule), the bank can post a notice of the institution's privacy policy on the machine and require the consumer to acknowledge receipt as a necessary step to obtaining a product or service.

Electronic Customers



Customers who actually conduct business with the bank electronically

It is also important that you understand the rule's definition of electronic customers. For the purpose of the regulation, an electronic customer is one who is actually conducting business with the bank in an electronic manner. For example, the customer might have a Web-accessible checking account.

Simply because a customer has a computer and an e-mail address does not make him or her an electronic customer of the bank.

Unacceptable Delivery Methods

The regulation does not consider it sufficient notice to post:

- ▶ In a local paper
- ▶ On signs
- ▶ By e-mailing (other than to electronic customers)

According to the options that we've just discussed, the regulation also establishes some delivery methods that are not acceptable.

For example, a bank cannot just deliver privacy or opt out notices by publishing them in a local paper, displaying them on signs in the lobby, or by e-mailing them to consumers who are not electronic customers of the bank.

Also, keep in mind that opt out notices cannot be delivered verbally—they must be delivered in written or electronic form.

Summary

- ▶ Privacy notices
- ▶ Opt out notices
- ▶ Means to opt out



In this presentation and in the last one, we discussed the requirements a bank has under the privacy regulation to communicate with its consumers and customers.

Specifically, these requirements include the bank's responsibility to send disclosure notices (privacy notices) outlining the institution's privacy policies, to provide an opt out notice, and to provide consumers with a means of opting out of having their nonpublic personal information shared with nonaffiliated third parties.

Privacy-Related Presentations

- ▶ Part 2 - Definitions: The Who
- ▶ Part 3 - Definitions: The What
- ▶ Part 4 - Privacy Notices
- ▶ Part 5 - Privacy Notice Content
- ▶ Part 6 - Opt Out Notices
- ▶ Part 7 - Notice Delivery
- ▶ Part 8 - Exceptions to the Rule
- ▶ Part 9 - Reuse of Information

Up to this point, these presentations have focused on specific requirements that banks must follow, in order to comply with the privacy regulations. In the next two presentations, we're going to talk about many exceptions to those guidelines.