

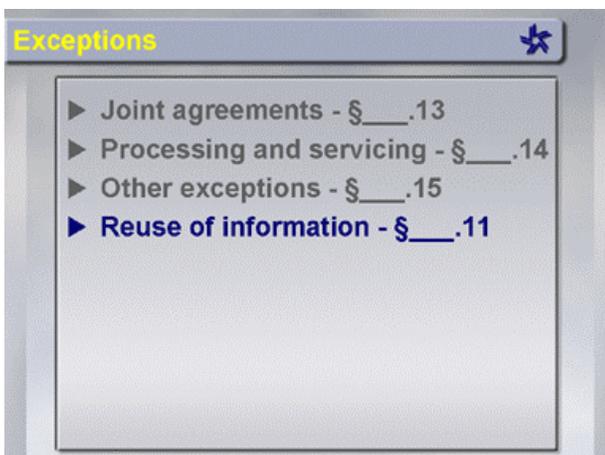
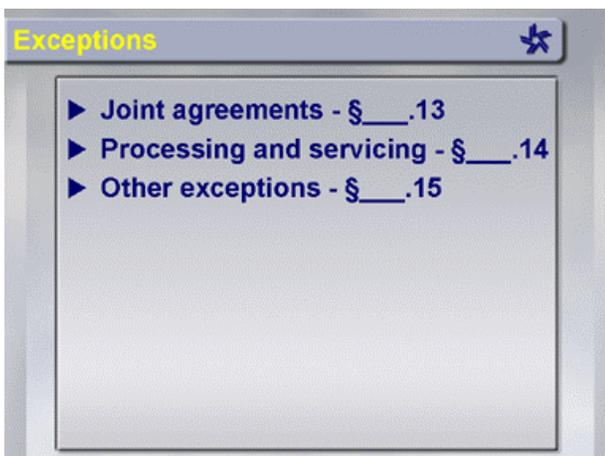
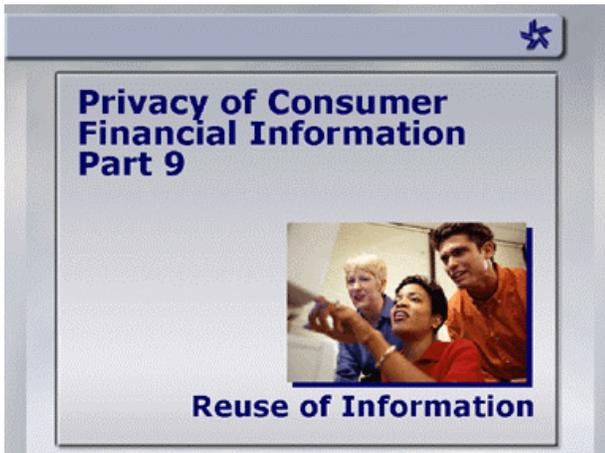
PRIVACY OF CONSUMERS' FINANCIAL INFORMATION PART 9 REUSE OF INFORMATION

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APRIL 2001

Slides



Narration

In the last presentation, we looked at three sections of the regulation that define exceptions to the rule

—instances in which banks can in fact share their customers' nonpublic personal information with nonaffiliated third parties.

This presentation covers some of the limits the regulation sets on how banks and those nonaffiliated third parties can reuse and redisclose the nonpublic personal information they receive.

How that information can be redisclosed or reused is delineated in section eleven of the regulation. You can access this section by pausing this presentation and clicking on the document's title on the right of your screen.

Reuse of Information - § __.11

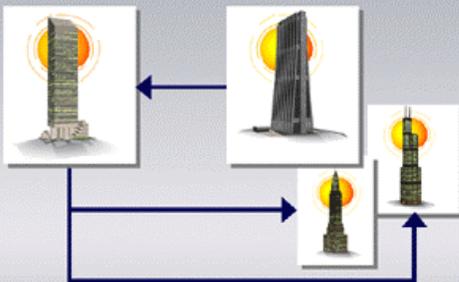


Banks that receive nonpublic personal information from nonaffiliated third parties, under the exceptions outlined in sections fourteen and fifteen of the regulation, may disclose or use that information only as follows:

Permissible Reuse - § __.11



► Affiliates of original institution



- To affiliates of the institution from which you received the information

Permissible Reuse - § __.11

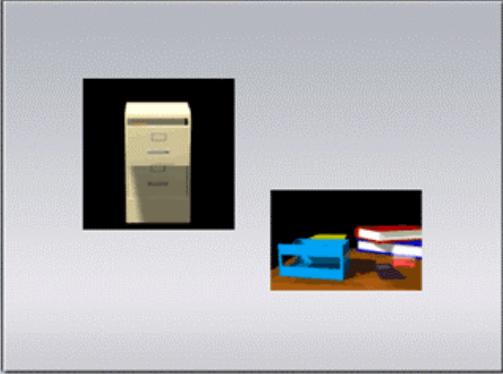


► Own affiliates



- To the bank's own affiliates (But, those affiliates may use or redisclose the information only to the same extent as the bank may disclose and use the information.)

Permissible Reuse - § __.11 



- In the ordinary course of business to carry out an activity covered by the exception in section 14 or section 15 under which the institution received the information

Permissible Reuse - § __.11 

- ▶ Affiliates of original institution
- ▶ Own affiliates
- ▶ **Activities covered by exception**

The first two uses are self explanatory, but let's look at an example of the third situation in which an entity receiving information is permitted to redisclose that information.

Activities Covered by Exception 



Received Nonpublic Personal Information

Let's say, for example, that a servicing organization has contracted with a bank to service its loan portfolio and , therefore, received nonpublic personal information about the bank's customers.

Activities Covered by Exception 

External Auditing Company



Ordinary Course of Business

Then the servicing organization contracts with an outside auditing firm to audit its loan servicing records.

This situation would fall under "the ordinary course of business" to carry out the activity covered by exceptions in section 14 and section 15, under which the institution received the information definition in the regulation. Therefore, records could be legally shared with the auditing firm.

Information Covered by Exception 

- ▶ A bank receives outside of the rule exceptions
- ▶ A third party receives under sections 14 and 15
- ▶ A third party receives outside of an exception

Other categories of information covered include:

- Information a bank receives outside of the rule exceptions
- Information a third party receives under sections 14 and 15
- Information a third party receives outside of an exception

Training Presentations 



- Definitions
- Notifications
- Exceptions
- Exam procedures

By now, you have a good overview of the privacy regulations and can begin to see some of the issues that the rule will require you to look for in your examinations.

The exam procedures themselves are the topic of the next presentation.