

## Press Releases

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### OTS 00-12 - OTS Proposes Privacy Rule to Implement Financial Modernization Legislation

#### Office of Thrift Supervision

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For further information

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Contact: Patricia Cinelli

OTS 00-12

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### OTS Proposes Privacy Rule to Implement Financial Modernization Legislation

WASHINGTON, D.C., Feb. 9, 2000--The Office of Thrift Supervision (OTS) is seeking comments on a proposed rule to implement privacy provisions of the Gramm-Leach-Bliley Act, the financial modernization legislation.

The proposed regulation requires a financial institution to inform consumers about the institution's privacy policies and practices; describes the conditions under which a financial institution may disclose nonpublic personal information about a consumer to a nonaffiliated third party; and gives a consumer a chance to "opt out" at any time by informing the institution not to share information with nonaffiliated third parties, with certain limitations.

"I believe the financial services industry, particularly community financial institutions, is a step ahead of most others," said Ellen Seidman, OTS director. "The privacy provisions of the GLB Act, which the rule implements, are designed to help institutions keep that edge by reassuring customers their trust will continue to be deserved."

Seidman urged both thrift institutions and consumers to read and comment on the proposal. "Implementation of this proposal will have a significant impact on both financial institutions and their customers. The law and the regulation use disclosure and consumer choice to attempt to meet the needs of both business and consumers. We need to hear whether we've been successful."

The proposed regulation also defines and gives examples of terms used in the legislation such as nonaffiliated third party and personally identifiable financial information. It gives two options for defining "nonpublic personal information" on which OTS is soliciting comment. It also presents examples of reasonable ways customers may exercise their "opt out" choice and implement statutory exceptions to notice and other "opt out" requirements.

The proposed rule is the result of interagency efforts by OTS, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Federal Reserve Board, National Credit

Union Administration, Federal Trade Commission, Treasury Department and the Securities and Exchange Commission. Similar rules are being proposed by those agencies.

Comments on the proposal, which will be available on OTS's Internet site at [www.ots.treas.gov](http://www.ots.treas.gov), must be received by March 31, 2000. Comments may be filed electronically to [public.info@OTS.treas.gov](mailto:public.info@OTS.treas.gov). Congress required the rule to be final May 12, 2000.

Privacy of Consumer Financial Information - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2000-12a.pdf>

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The Office of Thrift Supervision (OTS), an office of the U.S. Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of thrift institutions and to support their role as home mortgage lenders and providers of other community credit and financial services. For copies of news releases or other documents visit the OTS web page at [www.ots.treas.gov](http://www.ots.treas.gov).