

Press Releases

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OTS 04-30 - Federal Agencies File Amicus Brief on California "SB1" Case

Office of Thrift Supervision

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For further information

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OTS 04-30

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FEDERAL AGENCIES FILE AMICUS BRIEF ON CALIFORNIA "SB1" CASE

WASHINGTON - The Office of Thrift Supervision (OTS) announced today the submission of an *amicus curiae* brief by OTS and five other federal agencies in support of an appeal of a June 30, 2004, California Federal District Court decision upholding provisions of a California law that impose restrictions on the sharing of a customer's information between a financial institution and its affiliates.

The lawsuit and appeal, filed by the American Bankers Association, the Consumer Bankers Association and the Financial Services Roundtable, assert that the California Financial Information Privacy Act, commonly referred to as "SB1," is contrary to applicable federal law - specifically the Fair Credit Reporting Act, as amended by the Fair and Accurate Credit Transactions Act of 2003.

The amicus brief notes that Congress carefully crafted a national system to govern the accumulation, dissemination and use of a consumer's personal financial information, including the sharing and use of consumer information among affiliated companies. In establishing this uniform federal framework, Congress struck an appropriate balance to ensure that personal financial information may be used to promote affordable financial services while protecting against unwanted invasions of privacy and the misuse of such private personal information. In describing the federal law, the agencies emphasized that "within this federal system, Congress has specified the areas in which states may enact laws with different requirements. Information sharing among affiliates of financial institutions is not one of those areas."

Joining OTS in the amicus brief were the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System, the National Credit Union Administration and the Federal Trade Commission.

amicus curiae brief - <http://www.occ.gov/static/news-issuances/ots/press-releases/ots-pr-2004-30a.pdf>

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The Office of Thrift Supervision, an office of the Department of the Treasury, regulates and supervises the nation's thrift industry. OTS's mission is to ensure the safety and soundness of, and compliance with consumer protection laws by, 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 and other documents, visit the OTS web page at www.ots.treas.gov.