



Prepare Now for Annual Privacy Notice Changes

Presented by:

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Why? This is just a proposal!

- **Rare Opportunity to SAVE Money**
 - *Save each and every year*
- **IF your credit union qualifies....**
 - Understand the criteria
 - Review your current practices
 - Update to Model Privacy Form
 - Prepare for alternative delivery

Overview

- Regulation P (12 CFR 1016)
 - Initial Privacy Notice
 - **Annual Privacy Notice**
 - Two options currently:
 - (1) Mail; or (2) electronically if CU obtained proper E-SIGN Act consent
- In past years, multiple *efforts* to remove annual notice requirement; none successful

Proposed Rule

- *Alternative Delivery Method*
 - Provide a notice (annually) to members indicating the CU's policy has not changed
 - “Notice of Availability” on statements
 - Post Privacy Policy (using Model Form) on the credit union's website
 - Promptly mail a copy of Policy upon request

How does my CU qualify?

- **Must meet all five factors:**
 1. No sharing with nonaffiliates*
 2. No opt-out for Section 603(d)(2)(A)(iii) sharing under the FCRA
 - Sharing credit history with affiliates
 3. If CU shares with affiliates – for marketing purposes – the “affiliate marketing” opt-out is provided separately

How does my CU qualify?

- **Must meet all five factors:**
 - 4. Privacy Policy has not changed since the prior notice was delivered
 - Either past annual notice or the Initial Notice provided to new members
 - 5. CU uses Model Privacy Form

Note: Final Rule could alter/amend these factors.

Definitions

Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. ■
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. ■
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. ■

- *Review your categorization of third-parties*
 - Affiliate; Nonaffiliate*; Joint Marketing

Section 603(d)(2)(A)(iii)

Reasons we can share your personal information	Does share?	Can you limit this sharing?
For our affiliates' everyday business purposes— information about your creditworthiness		

- *Do you have any affiliates?*
 - If not, use a different version of Form
 - *If yes*, do you share information about a member's creditworthiness?

Action Items

- Review Current Sharing Practices
 - Update Privacy Policy to Model Form
 - If already in Model Form; review
 - Sharing with Nonaffiliates?
 - Cost-Benefit Analysis
 - Sharing with Affiliates for Marketing Purposes
 - Send Affiliate Marketing Opt-Out Separately
 - Prep for Alternative Delivery Method
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Questions?

Thank You!

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