



CONFERENCE OF STATE BANK SUPERVISORS

July 14, 2014

Monica Jackson
Office of the Executive Secretary
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Docket Number: CFPB-2014-0010
RIN: 3170-AA39

Dear Ms. Jackson,

The Conference of State Bank Supervisors (“CSBS” or “state regulators”) appreciates the opportunity to comment on the Consumer Financial Protection Bureau’s (“CFPB” or “Bureau”) proposed *Amendment to the Annual Privacy Notice Requirement Under the Gramm-Leach-Bliley-Act (Regulation P)*(RIN: 3170-AA39). The Bureau’s proposal would allow financial institutions that limit the sharing of customer information with unaffiliated third parties to post privacy disclosures required by GLBA on their websites. CSBS agrees with the Bureau that the current practice of mailing initial and annual privacy disclosures is a financial burden for banks and an ineffective mechanism for the sharing of important privacy information with consumers. State regulators are supportive of the proposed alternative delivery method given its potential to reduce costs associated with privacy disclosure requirements, especially for community banks.

The majority of depository institutions supervised by state banking agencies are community banks. As acknowledged by the Bureau, smaller institutions are significantly less likely than their large bank or non-bank counterparts to share their customers’ nonpublic personal information in a way that would trigger a customer’s opt-out rights under GLBA. In developing the proposed amendment, the Bureau found that 81 percent of banks with assets of \$10B or less and 88 percent of sampled banks with assets of \$500M or less could use the online delivery method based on their information sharing practices. Only 18 percent of sampled banks with assets over \$10B would be eligible to use the online delivery method based on current information sharing activities. The potential savings associated with the proposed delivery method are likely to provide an incentive for larger financial institutions to limit their information sharing practices.

CSBS supports the proposed eligibility criteria that a financial institution would need to satisfy to use the online delivery method, including the mandated use of the model privacy disclosure form that was adopted by the federal banking agencies in 2009. As such, CSBS encourages the CFPB and the other member agencies of the Federal Financial Institutions Examination Council to make hyperlinks to the model privacy disclosure form more prominent and more easily accessible on their respective websites. Constant access to standardized privacy forms will allow consumers who are concerned about their personal information to easily compare the privacy policies of financial institutions before deciding which to use.

GLBA does not preclude a state from adopting additional privacy standards. Certain states, such as Vermont and California, have passed “opt-in” legislation that requires an institution to obtain affirmative customer consent for the sharing of consumer information. The model privacy disclosure form contains a box where a financial institution would list additional privacy disclosure obligations pursuant to state or international law. State regulators believe that the Bureau should continue to carefully consider how the proposed delivery method would interact with state specific privacy requirements. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "John W. Ryan". The signature is fluid and cursive, with a long horizontal stroke at the end.

John W. Ryan
President & CEO
Conference of State Bank Supervisors