# Alternative Language Requiring Nonbank Financial Institutions to Conform to the FTC Safeguards Rule

## Option 1:

[Insert state citation] **Information security program required by the federal Safeguards Rule implementing the Gramm-Leach-Bliley Act (GLBA).** (1) Generally, nonbank financial institutions, including institutions engaged in activities incidental to financial activities must have a written program appropriate to the company's size and complexity, the activity conducted, and the sensitivity of information at issue. The program must ensure the information's security and confidentiality, protect against anticipated threats or hazards to the security or integrity of the information, and protect against unauthorized access to or use of the information. (2) The information security plan must be maintained as part of your books and records. (3) For more information access the FTC website on the Safeguards Rule at: <https://www.ftc.gov/tips-advice/business-center/> guidance/financial-institutions-customer-information-complying and see 16 C.F.R. 314. [INSERT Statutory Authority]

## Option 2:

[Insert state citation] **Information security program required by the federal Safeguards Rule implementing the Gramm-Leach-Bliley Act (GLBA).** (1) Any nonbank financial institution applicant or licensee, including institutions engaged in activities incidental to financial activities is deemed compliant if it follows requirements set forth in 16 CFR Part 314 Standards for Safeguarding Customer Information by the Federal Trade Commission, implementing sections 501 and 505(b)(2) of the Gramm-Leach-Bliley Act, setting forth standards for developing, implementing, and maintaining reasonable data security safeguards to protect the security, confidentiality, and integrity of customer information. (2) The information security plan must be maintained as part of your books and records. (3) For more information access the FTC website on the Safeguards Rule at: <https://www.ftc.gov/tips-advice/business-center/> guidance/financial-institutions-customer-information-complying and see 16 C.F.R. 314. [INSERT Statutory Authority]