

Final Rule Summary

Prepared by NASCUS Regulatory Affairs Department
November, 2014

Consumer Financial Protection Bureau

Amendments to the Annual Privacy Notice Requirement (Reg. P)

The Consumer Financial Protection Bureau (CFPB) has issued a final rule to amend certain provisions of Regulation P relating to delivery of annual privacy notices to consumers. The Gramm-Leach-Bliley Act (GLBA) and Regulation P require financial institutions to provide initial and annual privacy notices to customers regarding their privacy policies, and to provide notice and an opportunity to opt out if the institution shares customer information with certain types of third parties. The final rule allows financial institutions to post the annual privacy notice on their websites (instead of mailing them to each customer), if they meet certain conditions.

The final rule is effective October 28, 2014 and is available [here](#).

The Bureau believes this new delivery method will reduce the cost and regulatory burden imposed by the paper mailing requirement. Credit unions may post the annual privacy notice on their website instead of mailing it out if:

- ✓ No opt-out rights are triggered by the credit union's information sharing practices or opt-out notices have previously been provided;¹
- ✓ The information in the privacy notice has not changed;² and
- ✓ The credit union uses the model form provided in Regulation P as its annual privacy notice.³

The credit union must still use a standard delivery method for the annual privacy notice if the credit union's privacy practices have changed, or if the credit union engages in information sharing activities for which customers have the right to opt out.

The website privacy notice must be:

- ✓ Continuously posted;
- ✓ Clear and conspicuous;
- ✓ On a webpage by itself; and
- ✓ Available without login or any other conditions.

The credit union must inform customers that privacy notice is available on the website by written disclosure at least once a year. The written disclosure must be clear and conspicuous, and can be included on an account statement, coupon book, or any notice or disclosure issued under any provision of law. The written disclosure must include notice that the annual privacy disclosure is available on the website, the website address, a phone number to request that the notice be

¹ 15 U.S.C. 1681a(d)(2)(A)(iii); 15 U.S.C. 1681s—3.

² Pursuant to sections 1016.6(a)(1)-(5), (8), (9); other than to eliminate categories of information you disclose or categories of third parties to whom you disclose it.

³ Available [here](#). Credit unions must use the model form in exactly the form set forth in the regulation in order to qualify for posting the annual privacy notice online.

mailed, and a statement that the notice has not changed. The Bureau provided the following sample notification language:

Privacy Notice:

Federal Law requires us to tell you how we collect, share, and protect your personal information. Our privacy policy has not changed and you may review our policy and practices with respect to your personal information at [Web Address] or we will mail you a free copy upon request if you call us at [telephone number].

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