



2018 REGULATION P AMENDMENT FACT SHEET | YOUR MAP TO REGULATORY CHANGE

The Gramm-Leach-Bliley Act (GLBA) generally requires financial institutions to send annual privacy notices to customers, describing their privacy practices (e.g. the nonpublic personal information the institution collects and how, or if, it is shared with unaffiliated third parties). Generally, if information is shared in such a manner, the financial institution must provide a consumer the opportunity to opt out.

In December 2015, Congress amended the GLBA as part of the Fixing America's Surface Transportation Act (FAST Act). This amendment to the GLBA provided financial institutions that meet certain conditions an exemption to the requirement under the GLBA to deliver an annual privacy notice, but as we've been tracking since it was released, Regulation P was not amended at the same time. We FINALLY have the amendment!

Under the 2018 Regulation P amendment, you can use the annual notice exception if you do not share information in a manner that requires you to provide an opt-out option for your customers¹, and as long as you have not changed your notice from the one previously provided to your customer.

If you would change your information sharing practices such that you would no longer qualify for the exception, you would need to comply with Regulation P's annual notice requirements. In determining when the notice would need to be provided, consider the following:

Changes Preceded by a Revised Privacy Notice: If you no longer meet the exception requirement because you change your policies or practices in such a way that §1016.8 requires you to provide a revised privacy notice, you must provide an annual privacy notice and treat the revised privacy notice as an initial privacy notice.

Changes Not Preceded by a Revised Privacy Notice: If you no longer meet exception requirements because you change your policies or practices in such a way that §1016.8 does not require you to provide a revised privacy notice, you must provide an annual privacy notice within 100 days of the change in policies or practices that causes you to no longer meet exception requirements.

In the past, an alternative delivery method was available to those institutions that did not share information that required an opt-out and hadn't changed those practices in the last 12 months. However, the Bureau removed the Reg. P provision that addressed the alternative delivery method for annual privacy notices as the Bureau believed the alternative delivery method will no longer be used in light of the annual notice exception. The rule indicates that any financial institution that met the conditions to use the alternative delivery method will also meet the conditions to be excepted from delivering an annual privacy notice pursuant to new GLBA section 503(f).

The amendment becomes effective 30 days after publication in the Federal Register.

¹ Essentially, you provide nonpublic personal information to nonaffiliated third parties only in accordance with the provisions of §1016.13, §1016.14 or §1016.15.