# PRivacy of Consumer financial information Policy rEGULATION p

Use this policy to guide your compliance with

Privacy of Consumer Financial Information Regulation P

CFPB – 12 CFR § 1016

FDIC – 12 § CFR 332

## BANK Name [1]

[1: Your name should appear on every policy to indicate clearly that it is your statement of policy rather than a generic policy that purports to fit all banks.]

## Purpose and Objectives

This policy reaffirms respect for the privacy expectations and privacy rights of our customers. This policy will guide the actions of our personnel and assure our customers of our commitment to protecting their privacy. We will always act in compliance with all applicable laws and regulations.

## Definitions [2]

[2: These key definitions are essential to an understanding of the policy and are adapted from the regulations of the supervisory agencies. If you choose to redefine these terms, or add others, be sure to consult with the regulations in order to preserve the meaning.]

**Affiliate**. Any company that controls, is controlled by, or is under common control with another company.

**Clear and Conspicuous**. A notice is reasonably understandable and designed to call attention to the nature and significance of the information in the notice. (For example, use of clear and concise sentences, bullet-point lists, definite everyday words, active voice, and avoidance of legalese.)

**Collect**. Obtain information that we organize or can retrieve by the name of an individual or by identifying number, symbol, or other identifying particular assigned to the individual, irrespective of the source of the underlying information.

**Consumer.** An individual who obtains or has obtained a financial product or service from us and will use the product or service primarily for personal, family, or household purposes, or that individual’s legal representative. An example of a consumer would be a loan applicant. A consumer is not necessarily a customer.

**Customer.** A person who has established a continuing relationship with us. (For example, an approved loan applicant who signs a note would become a customer.)

**Customer Relationship.** A continuing relationship between and consumer and us under which we provide one or more financial products or services to the consumer that are to be used primarily for personal, family, or household purposes. (For example, an individual has a deposit or investment account with us; obtains a loan; or obtains financial, investment, or economic advisory services from us for a fee.)

**Nonaffiliated third party.** Any person except our affiliate or a person employed jointly by us and any company that is not our affiliate (but the nonaffiliated third party includes the other company that jointly employs the person).

**Nonpublic personal information**. Personally identifiable information relating to a consumer, except when there is a reasonable belief that the information is publicly available. For example, the fact someone has a customer relationship with us would presumably be nonpublic personal information. If personally identifiable information relating to a customer is publicly available, then such information is not regarded as nonpublic information.

**Publicly available information.** Any information that we have a reasonable basis to believe is lawfully made available to the general public from Federal, state, or local government records; widely distributed media; or disclosures to the general public that are required to be made by Federal, state, or local law. (For example, a published telephone directory or the public record of real estate transactions.)

## Privacy Principles

* Regulation P establishes rules governing duties of a financial institution to provide particular notices, and limitations on its disclosure of nonpublic personal information as summarized below: A financial institution must provide a notice of its privacy policies and allow the consumer to opt out of the disclosure of the consumer’s nonpublic personal information to a nonaffiliated third party if the disclosure is outside of the exceptions of Sections 13, 14 or 15 of the regulation.
* Regardless of whether a financial institution shares nonpublic personal information, the institution must provide notices of its privacy policies to its customers.
* A financial institution generally may not disclose customer account numbers to any nonaffiliated third party for marketing purposes.
* A financial institution must follow reuse and redisclosure limitations on any nonpublic personal information it receives from a nonaffiliated financial institution.

We will comply with the above requirements to the extent applicable.

## Recognition of Customer’s Expectation of Privacy

Our customers are entitled to absolute assurance that we will treat information about their financial circumstances and personal lives, which we have obtained through various means, with the highest degree of confidentiality and respect. Certain expectations of privacy also contain legal rights that Federal and state laws and regulations give to customers. This policy directs all employees to assure customers of our commitment to preserving the privacy of customer information.

## Maintenance of Accurate Information [3]

[3: Modify this section to reflect how inaccurate information is corrected. Be sure to include time frames, responsibilities, and confirmation of information accuracy. If another policy, or set of procedures, is used for this purpose, such as a Consumer Complaint policy, state in this paragraph where to find this information.]

Executive management is responsible to establish procedures to ensure that, to the extent practicable, customer financial information is accurate, current, and complete in accordance with reasonable commercial standards. We will respond promptly and affirmatively to any legitimate customer request to correct inaccurate information, including forwarding of corrected information to any third party who had received the inaccurate information. We will record that a customer requested this corrective action, and we will follow-up with third parties to ensure that they have processed the correction.

## Disclosure of Privacy Principles to Customers [4]

[4: If you do not share consumer (as opposed to customer) information with nonaffiliated third parties, delete the second sentence in the paragraph below. Modify this section regarding opt out as needed.]

A clear and conspicuous notice of our privacy policy will be provided to customers when a customer relationship is established. A consumer will receive a copy of the privacy notice before we disclose any nonpublic personal information about the consumer to any nonaffiliated third party. A notice of the right to opt out will accompany each privacy notice, unless we share nonpublic personal information only within the three categories of exceptions, listed below.

The privacy notice may be delivered by hand, by mail, or electronically. If the notice is provided electronically, the consumer will be required to acknowledge receipt as a necessary condition for obtaining a financial product or service.

## Exceptions

### Exceptions to the Opt-Out Requirements for Service Providers and Joint Marketing [5]

[5: This and the subsequent two other subsections dealing with exceptions are extracted from the privacy regulations. If you choose to change them, refer to the regulatory requirements before doing so. You should indicate whether or not you provide nonpublic information about consumers for any of these purposes.]

The opt-out requirements do not apply if we provide nonpublic personal information about a consumer to a nonaffiliated third party to perform services for us or functions on our behalf, if we provide the initial notice as required and enter into a contractual agreement with the third party. The contractual agreement must prohibit the third party from disclosing or using the information other than to carry out the purposes for which we disclosed the information in the ordinary course of business.

Exceptions to the Opt-Out Requirements for Processing and Servicing Transactions

The requirements for full initial notice, for opt out, and for service providers and joint marketing, do not apply if we disclose nonpublic personal information:

* As necessary to effect, administer, or enforce a transaction requested or authorized by the consumer.
* To service or process a financial product or service requested or authorized by the consumer.
* To maintain or service the consumer’s account with us, or with another entity as part of a private label credit card program or other extension of credit on behalf of such entity.
* In connection with a proposed or actual securitization, secondary market sale (including sales of servicing rights), or similar transaction related to a transaction of the consumer.

### Other Exceptions to Notice and Opt-Out Requirements

There are additional exceptions to the opt-out requirements. The requirements for full initial notice, for opt out, and for service providers and joint marketing do not apply when we disclose nonpublic personal information in the following circumstances:

* With the consent or direction of the consumer, provided that the consumer has not revoked the consent or direction.
* For the following protective or legal situations:
* To protect the confidentiality or security of our records pertaining to the consumer, service, product, or transaction.
* To protect against or prevent actual or potential fraud, unauthorized transactions, claims, or other liability.
* For required institutional risk control or for resolving consumer disputes or inquiries.
* To persons holding a legal or beneficial interest relating to the consumer.
* To persons acting in a fiduciary or representative capacity on behalf of the consumer.
* To provide information to insurance rate advisory organizations, guaranty funds or agencies, agencies that are rating us, persons that are assessing our compliance with industry standards, and our attorneys, accountants, and auditors.
* To the extent specifically permitted or required under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978 (12 USC 3401), to law enforcement agencies (including government regulators), self-regulatory organizations, or for an investigation on a matter related to public safety.
* To a consumer reporting agency in accordance with the Fair Credit Reporting Act (15USC1681) or from a consumer report reported by a consumer reporting agency.
* In connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal information concerns solely consumers of that business or unit.
* To comply with Federal, state, or local laws, rules, and other applicable legal requirements, specifically:
* To comply with a properly authorized civil, criminal, or regulatory investigation, or subpoena or summons by Federal, state, or local authorities.
* To respond to judicial process or government regulatory authorities having jurisdiction over us for examination, compliance, or other purposes as authorized by law.

## PRIVACY NOTICE CONTENTS

We will provide the following list of disclosures regarding nonpublic personal information on our privacy notice, as applicable:

* Categories of information collected
* Categories of information disclosed
* Categories of affiliates and nonaffiliated third parties to whom we may disclose information
* Policies with respect to the treatment of former customers’ information
* Information disclosed to service providers and joint marketers
* An explanation of the opt-out right and methods for opting out
* Any opt-out notices that we must provide under the Fair Credit Reporting Act with respect to affiliate information sharing
* Policies for protecting the security and confidentiality of information
* A statement that we make disclosures to other nonaffiliated third parties as permitted by law

## MODEL PRIVACY FORM [6]

[6: If you do not use the model disclosure, adjust this section accordingly.]

We will use the model form as shown in Appendix A to Regulation P in order to obtain a safe harbor for compliance with the content requirements for notifying customers of our information sharing policies. The model form is a standardized form, including page layout, content, format, style, pagination, and shading. Modifications to the model form may be made, but they are limited, as shown in the instructions contained within Appendix A.

## OPT-OUT PROVISIONS [7]

[7: If you do not disclose information to nonaffiliated third parties requiring opt out, you may eliminate this entire section.]

Consumers must be given the right to opt out of, or prevent, an institution from disclosing nonpublic personal information about them to a nonaffiliated third party, unless an exception to that right applies. We disclose information which is subject to the opt-out provisions of Regulation P.

As a part of the opt-out right, consumers, must be given a reasonable opportunity and a reasonable means to opt out. The “reasonable” threshold will be met by allowing consumers 30 days from the date of mailing of a notice or 30 days after customer acknowledgement of an electronic notice for an opt-out direction to be returned. Our privacy notice will contain check-off boxes, a reply form, or a toll-free number as methods of opt out. **[8]**

[8: Adjust this paragraph as necessary to accurately describe your policy regarding timing of opt out and means to exercise an opt out.]

## ANNUAL NOTICE DELIVERY [9]

[9: If your privacy notice **contains opt-out provisions**, **use** the following paragraph. If your privacy notice **does not contain opt-out provisions**, **delete** the following paragraph.]

A clear and conspicuous notice will be provided to customers that accurately reflects our privacy policies and practices not less than annually during the continuation of the customer relationship. We will not provide an annual notice to a former customer, to customers whose accounts are inactive, or to customers who have paid loans in full.

[9: If your privacy notice **does not contain opt-out provisions**, **use** the following paragraph. If your privacy notice **contains opt-out provisions**, **delete** the following paragraph.]

We qualify for the annual privacy notice exception, in as much as, we do not provide nonpublic personal information to nonaffiliated third parties. In the event we no longer qualify for the annual privacy notice exception, either because we begin to provide nonpublic personal information to nonaffiliated third parties, or our privacy policies and practices have changed, we will provide a clear and conspicuous notice to customers that accurately reflects our privacy policies and practices within the prescribed timeframes; either as an initial privacy notice or, within 100 days of the change. We will not provide an annual notice to a former customer, to customers whose account are inactive or to customers who have paid loans in full.

[9: All banks: the following paragraph is optional. Depending on your practice, either include, or delete, this paragraph as appropriate. The CFPB has determined the following with respect to this information:

For financial institutions that qualify for the annual notice exception: You may choose to post privacy notices on your websites, deliver privacy notices to consumers who request them, and notify consumers of the notices’ availability. Such activities will not affect your financial institution’s eligibility for the annual notice exception.

For financial institutions that are required to send the annual notice: you may want to discuss this with your regulatory agency. When Congress amended the GLBA, it did not address this issue and the CFPB also declined to address it in the August 17, 2018, Final Rule. Note: if you choose to post your privacy notice on your website, deliver a privacy notice to consumers who request them, and notify consumers of the notice’s availability, that practice does not exclude you from sending the annual notice.]

We will continuously post our privacy notice on our Website and provide customers with an annual notice on account statements or other pertinent notices that our privacy notice is available. Customers may request a hard copy of the notice to be mailed to them, and we will provide the notice without charge within 10 calendar days of the request. Our notice to customers that our privacy notice is available will follow the model language, or substantially similar language.

## REVIEW OF POLICY

The board of directors will make a review of this policy at least once each year and make any revisions and amendments it deems appropriate. The Chief Executive Officer will be responsible for suggesting more frequent revisions if situations or changes in laws or regulations dictate more frequent changes.