

**Jordan, Sheron**

---

**From:** \_Regulatory Comments  
**Sent:** Friday, June 01, 2007 8:09 AM  
**To:** Jordan, Sheron  
**Subject:** FW: Ohio Credit Union League Comments on Proposed Rule Part 716 (Model Form Privacy Notice)

---

**From:** Carrie A. Zetty [mailto:CZetty@ohiocul.org] **On Behalf Of** John F. Kozlowski  
**Sent:** Tuesday, May 29, 2007 3:47 PM  
**To:** \_Regulatory Comments  
**Cc:** Paul L. Mercer  
**Subject:** Ohio Credit Union League Comments on Proposed Rule Part 716 (Model Form Privacy Notice)

May 25, 2007

Ms. Mary Rupp  
Secretary of the Board  
National Credit Union Administration Board  
1775 Duke Street  
Alexandria, VA 22314-3428

RE: Proposed Rule Part 716 – Model Form for Privacy Notices

Dear Ms. Rupp:

The Ohio Credit Union League (“League”) appreciates the opportunity to comment on the interagency proposed rules that will provide model forms for the required privacy notices that must be provided to consumers by the respective financial institutions under the Gramm-Leach-Bliley Act. These forms will be either a two page or three page form that, if used, will guarantee compliance with the privacy rules. The Ohio Credit Union League advocates on behalf of more than 400 credit unions in Ohio consisting of 2.7 million members.

The regulatory relief law that was enacted in October 2006 directed the regulators to develop a model form that financial institutions may use to make the required privacy disclosures. The goal of the model form is to provide the information in a standardized manner that is easily understood and also allows consumers to compare privacy practices among financial institutions.

Use of the model form will guarantee compliance with the privacy notice requirements. Financial institutions, including credit unions, will still be able to use their current privacy notices for one year after the effective date of the final version of this rule. Financial institutions will have to use the model form after that if they want to guarantee compliance with these requirements.

While it would appear that requiring the use of a model form to disclose the privacy information and rights of consumers may be made easier to read and understand because it is the same for each institution, the one size fits all approach does not necessarily address those differences in complexity between the financial institutions and the information that should be disseminated.

It may also be true that some current notices have fallen short of adequate and understandable disclosures for some consumers based on the complexity of the financial institutions. However, making the more complex disclosures simpler and less complicated to read and understand should not be the standard to be used by those financial institutions that provide more understandable and simplified notices because they are less complex but still meet the required disclosures. By making these financial

institutions, such as credit unions, provide more complex forms when the forms they are using meet the privacy notice requirements would not be beneficial to the consumers.

Credit unions and other less complex financial institutions, for example, should be allowed to use the simpler forms that they currently use or the more complex forms provided that these notices comply with the privacy rules and provide information in a clear and conspicuous manner as well as comply with the other requirements.

The League also believes that consumers that compare the proposed model forms with those less complex notices and disclosures currently used by credit unions will find them easier to read and readily understandable. By requiring credit unions to change their forms would not only create a burden on the credit unions whose forms already comply with the requirements of this privacy disclosures but would dictate compliance for compliance sake with no additional benefit to the consumer.

Additionally, the proposal also requires that the disclosure form be printed in 8 1/2" by 11" paper with printing on one side. That form will be 2-3 pages long. The disclosure requirement should be whether it is adequate and easily readable. There is no reason why the disclosures could not be double sided or in a different sized paper other than 8 1/2" by 11." As long as the print is in a font that is easily readable and the form and disclosures are arranged in a logical manner the disclosure should be sufficient.

The League is also concerned that these privacy notices not contain any other disclosures except what is in the model forms. It is not uncommon that state law may require additional disclosures or that additional disclosures or information concerning identity theft, credit freeze requests, or other relevant information be included.

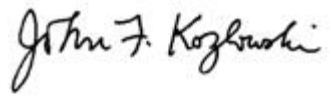
In addition, there should not be a requirement that these notices should be sent separately. The financial institution should be permitted to send them with other regular mailings such as regular statements of account. There should also be a disclosure form that can be e-mailed to those consumers that have requested e-mail as their choice of correspondence.

Credit unions are cooperative member owned financial institutions and should be permitted to continue to use the term "member" in its disclosures. If changes are needed to a financial institution privacy practice, these should be readily disclosed to the consumer. Finally, there should not be a requirement that Social Security Numbers or other personal information be provided. The use of the individual's full name and truncated account number should be sufficient. However, there should still be a mechanism for the financial institution to verify the consumer's identity through the use of a social security number under limited circumstances.

The Ohio Credit Union League appreciates the opportunity to provide comment on this proposal and would be willing to provide additional information and comments if so requested.

If you have any questions, please feel free to call me at (800) 486-2917.

Sincerely,

A handwritten signature in black ink that reads "John F. Kozlowski". The signature is written in a cursive style with a large, stylized initial 'J'.

John F. Kozlowski