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From: John Huston [JHuston@bankcsb.com]
Sent: Friday, March 29, 2002 3:22 PM
To: Study.comments@ots.treas.gov
Subject: Comments on the GLBA Information Sharing Study

I am the Compliance Officer for Community State Bank, serving the Des Moines, Iowa metropolitan area. We have nine locations, offering traditional banking products, insurance and investment services. The Gramm-Leach-Bliley Act of 1999, allowed the banks to compete in the financial services industry. The driving purpose behind GLBA was not to enhance consumer privacy, as delineated in section 501A and 501B, but to offer a better vehicle to provide the consumer broader exposure to insurance and investment services. The consumer can now gain access to all three product lines, (traditional banking, insurance and investment services) at their financial institution. Therefore, to provide the consumer with these product offerings, open sharing of customer information is absolutely mandatory.

Our bank owns both an insurance and investment affiliate. Our company has invested a great deal of money to offer our community these financial services. To restrict access to our customer's "non-public personal information" by the bank's own affiliates, would be to reverse the true goal of GLBA. It was customer service not "privacy" mandates that motivates the spirit of this law. The authors of this legislation were responding to many years of financial needs of the customer. "Privacy" was added to the legislation long after the primary purpose was clearly established. The "Financial Modernization" concept, of the act, was a positive step for the individual, the community and the financial institution. The banking industry, has for far too long, been held in the "dark ages" of the industrial development reformation, because of federal mandates. There is no "free enterprise" institution, in this country, more heavily regulated by federal and state statutes than your local community bank. "Financial Modernization" was a "win/win" situation for all, lets not destroy it by adding unnecessary "Privacy" burdens.

I strongly support the need for an individual's privacy rights at all times. However, to deny the bank from sharing the very basic customer information, i.e., name, address, and phone number, with our own affiliates, without a signed "opt-in" disclosure is going too far. As you know, people are very slow to adjust to "opt-ins" as part of their banking service needs. We can not adequately serve our customer's total financial needs without allowing our own affiliates limited customer information. As noted above, the bank carefully limits the amount of information the affiliates receive, far more limitation that GLBA requires.

We could not reasonably expect to show a profit from our insurance and investment affiliates without limited customer information sharing. Requiring a customer "Opt-In" would greatly inhibit and encumber our ability to serve the community with a complete financial package. We have monitoring programs in place to be assured that the customer information sharing is not improperly used by our affiliates. These procedures also assure us that information security is not compromised by information sharing.

As far as information sharing with non-affiliated third parties, this can only be conducted as a "business necessity". The customer can not be reasonably served if this data can not be shared. GLBA does provide for a great deal of customer protection as to sharing and security of their information. As well as, allowing for adequate exemptions for non-affiliated third parties, "business necessity", in section 40.13, 40.14, and 40.15. Any further limitations in the area of information sharing would be to the detriment of the consumer as well as the local community.

It is important that government understands, that by placing more roadblocks to inhibit private industry, limits the growth of all communities. Further mandates will be a total burden with no benefit to all who use the financial services industry. Laws that limit and control, by their very nature, limit and control all. GLBA was an enhancement to consumers everywhere, lets not reverse the direction by placing more limitations on customer information sharing and thereby restricting the ability of community growth.