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May 29, 2007

Wendi M. Brown
Corporate Counsel

Via Facsimile

Ms. Jennifer Johnson
Secretary
Board of Governors of the Federal Reserve
System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551

Re: Docket No. R-1280

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Re: RIN 3064-AD16

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

Re: RIN 3133-AC84

Ms. Nancy M. Morris
Secretary
Securities and Exchange Commission
100 F Street, N.E.
Washington, DC 20549-1090

Re: File Number S7-09-07, Model Privacy
Form

Office of the Comptroller of the Currency
250 E Street, S.W.
Mail Stop 1-5
Washington, DC 20219

Re: Docket ID OCC-2007-0003

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, N.W.
Washington, DC 20552
Attention: OTS-2007-005

Re: Docket ID OTS-2007-0005

Federal Trade Commission
Office of the Secretary
Room 135 (Annex C)
600 Pennsylvania Avenue, N.W.
Washington, DC 20585

Re: Model Privacy Form, FTC File No.
P034815

Ms. Eileen Donovan
Acting Secretary of the Commission
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, N.W.
Washington, DC 20581

Re: RIN 3038-AC04

RE: Interagency Proposal for Model Privacy Form

Dear Sirs and Madams:

This letter is submitted to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, the National Credit Union Administration, the Federal Trade Commission, the Securities and Exchange Commission and the Commodity and Futures Trading Commission (collectively, the "Agencies") on behalf of Compass Bancshares, Inc., a financial holding company ("Compass"), in response to the Agencies' request for comment on their Interagency Proposal for Model Privacy Form under the Gramm-Leach-Bliley Act.

Compass conducts a regional general commercial banking and trust business at 415 bank offices located in Alabama, Arizona, Florida, Colorado, New Mexico, and Texas. As of year-end 2006, Compass had assets of approximately \$34.2 billion. Compass provides correspondent banking services, including operational and investment services and financial transaction processing assistance, to approximately 1000 financial institutions located throughout the United States.

Compass appreciates the Agencies' time and effort in preparing the Model Form and hopes these comments will be helpful to the Agencies in their effort to promulgate an effective and workable short-form privacy notice. Further, Compass supports the creation of a simplified and standardized privacy notice that is readily understandable and informative for consumers.

In providing a safe harbor to financial institutions that utilize the Model Form, it is clear that the Agencies' goal is to have the majority of financial institutions utilize the Model Form. The prescriptive nature of the Model Form, however, will result in significant compliance costs to Compass and other financial institutions. In addition, the inflexibility of the Model Form will make it difficult for Compass to fully and accurately explain its privacy policies and practices. As highlighted below, allowing more flexibility in the formatting and content of the Model Form will accommodate the needed changes to achieve accuracy, will significantly enhance the usefulness and effectiveness of the Model Form, and thereby will permit many more financial institutions to take advantage of the safe harbor and utilize the Model Form.

GENERAL COMMENTS

Format

The format of the Model Form is significantly different than the formatting of Compass' privacy notices. The proposed formatting of 8.5" x 11" sized paper and printing on one side of the paper will considerably increase Compass' costs in providing the privacy notice and will result in an unnecessary waste of resources. We recognize the goal of the Agencies in making the Model Form succinct, easily readable and clear and concise. We do not, however, believe it necessary that a privacy notice be on 8.5" x 11" sized paper, with printing on one side of the paper in order to achieve this goal. Compass' privacy disclosure prominently describes its purpose, is easily readable and is user friendly.

Presently, Compass sends the majority of its annual privacy notices as inserts in its monthly account statements. The annual privacy notice is printed in pamphlet form which is smaller than 8.5" x 11". The annual notice is also printed on both sides of the paper. By sending the annual privacy notice as an insert, Compass greatly reduces the costs associated with the annual mailing. At present, there are no additional postage costs involved in the annual mailing. The Model Form will not be suitable for a statement insert and will require a separate mailing. Our estimates indicate the costs of postage alone for an annual mailing to Compass' customers could well exceed \$550,000.00. Additionally, in our opinion, customers are more likely to open and review an account statement and its contents, as opposed to a separate mailing that could be mistaken for marketing material.

With regard to our deposit account customers, the initial privacy notice is contained within our Account Agreement brochure. Including the initial privacy notice in our Account Agreement allows Compass to provide one comprehensive document to our deposit account customers containing all pertinent account terms and conditions. It also decreases the number of documents given to a customer at account opening; therefore decreasing number of documents that a customer must retain for his/her records. Again, the format of the Model Form is appreciably different than the format of Compass' Account Agreement brochure and the prohibition against incorporating the Model Form into any other document would require the production of a separate notice upon account opening. This prohibition would prevent the customer from receiving one convenient, comprehensive document at account opening. In our experience, providing customers with one document is an effective method of communicating bank policies and account terms and conditions to customers.

30-day Waiting Period

The 30-day waiting period language set forth on page three of the Model Form has the potential to cause customer confusion. For example, assume a new customer is provided with an initial privacy disclosure at the time he/she opens an account; at that time, the customer has 30 days to opt out before Compass begins to share his/her information. Assume the customer does not opt out, and 60 days later the customer opens a savings account and receives the same privacy notice. It is possible that personal information has already been shared about the customer based upon the checking account relationship. This could cause customer confusion and frustration. Additionally, the 30-day language, as written, is not appropriate for annual privacy notices. If the form notice is going to contain 30-day language, it needs to be clear that the 30-day period begins to run at the time of the establishment of the initial relationship with the financial institution.

Joint Use of the Model Form

The instructions to the Model Form provide that the Model Form may be used by an individual financial institution or a group of financial institution holding company affiliates. The Model Form does not, however, appear to allow a financial institution with a complicated

affiliate structure to adequately identify and clarify its affiliate structure. Moreover, the instructions provide that the name of the group of affiliated institutions providing the privacy notice should be on the Model Form whenever “[name of financial institution]” appears. For financial institutions with a diverse affiliate structure, such as Compass, the space provided on the Model Form for affiliate information may be inadequate, resulting in possible confusion to customers.

Inclusion of Additional Information

The Model Form is much more limited than the privacy notice currently provided by Compass. While we support the creation of a straightforward, short-form notice, we would appreciate more latitude as to the content of the notice. Some flexibility in the content of the privacy notice would allow Compass to provide additional information to its customers that would more fully and accurately describe Compass’ practices with regard to information sharing. Providing this flexibility also could allow financial institutions to provide information related to privacy concerns beyond what is currently set forth in the Model Form, such as online banking privacy information and information related specifically to the sharing of medical- and health-related information. Furthermore, the privacy notice should allow a financial institution to tailor its privacy notice to address non-standard privacy practices that it may have in place.

Particularly important to Compass and the many other financial institutions that have an insurance agency as an affiliate is that the Model Form does not provide an opportunity to include information relating to state laws. Insurance agencies are generally governed by state law and it is important to be able to include any specific state law requirements related to insurance agencies.

Fair Credit Reporting Act

The language in the Model Form does not appear to be consistent with Section 624 of the Fair Credit Reporting Act. Section 624 provides that information that may be shared among affiliates cannot be used for marketing purposes unless the consumer has received and been given an opportunity to opt-out of the marketing. Section 624 does not limit the ability of a financial institution to share information among its affiliates; rather it limits the use of such information. This distinction is not clear in the Model Form. Additionally, the Model Form does not provide an explanation or acknowledgment of the multiple exceptions to the requirements of Section 624.

Retention of Sample Clauses

While we appreciate the effort to standardize the privacy notice and recognize the value of having a majority of financial institutions utilize the Model Form, we strongly urge against eliminating the existing sample clauses in connection with the development of the Model Form. This is especially important for Compass and other financial institutions with an insurance agency affiliate. The state insurance authorities were consulted in the promulgation of the

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current sample clauses, and the sample clauses comply with most state insurance law notice requirements. There is no guarantee that state insurance regulators will revise their current privacy forms and guidelines to conform to the Model Form. If the existing sample clauses are replaced, there is a chance that financial institutions engaged in the business of insurance will be without the guidance of a form privacy notice.

CONCLUSION

We thank the Agencies for considering our comments and appreciate the Agencies' challenge in developing an informative, short-form privacy notice that is beneficial to consumers, yet is reasonable and does not place an undue burden on financial institutions. If you have any questions concerning this letter or if you would like us to provide any additional information, please do not hesitate to contact me.

Sincerely yours,



Wendi M. Brown
Corporate Counsel
Compass Bank