
Joint Release

Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency
Office of Thrift Supervision

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Bank and Thrift Regulatory Agencies Publish Privacy Rule

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency and the Office of Thrift Supervision today published for comment in the Federal Register a proposed regulation implementing the privacy provisions of the Gramm-Leach-Bliley Act. The proposed rule pertains to all institutions regulated by the four federal agencies.

Comments are requested by March 31, 2000.

The proposed rule, the result of an interagency effort, would require financial institutions to provide initial and annual notices of their privacy policies to all customers. In addition, the proposed rule would implement the privacy provisions under the Gramm-Leach-Bliley Act regarding the disclosure of information that is considered private -- termed "nonpublic personal information" in the new law -- to third parties that are not affiliated with the financial institution. Generally, under the proposal, before disclosing nonpublic personal information to a nonaffiliated third party, a financial institution must provide a description of its privacy policies and an opportunity for consumers to opt out of the disclosure except where the disclosure is necessary to service or process consumer transactions.

The agencies each approved publication of this proposal during the past two weeks, and the document published in the Federal Register contains only minor changes from the version approved by each agency.

The proposed rule is available through each agency's web site.