

LENDERS UPDATE™

ALT & ASSOCIATES NEWSLETTER

A COMPLIMENTARY SERVICE TO THE MORTGAGE LENDING INDUSTRY

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NEW CHANGES REGARDING PRIVACY NOTICES

Today, the CFPB published its final regulations implementing legislation that allows financial institutions that meet certain requirements, to be exempt from sending annual privacy notices to their customers.

As the Bureau presents it:

The Gramm-Leach-Bliley Act (GLBA) generally requires that financial institutions send annual privacy notices to customers. These notices must describe the privacy practices of financial institutions, including whether and how they share customers' nonpublic personal information. If the institution shares this information with unaffiliated third parties in ways other than specified by the GLBA, the institution typically must notify customers of their right to opt out of having their information shared and inform them how to do so.

In December 2015, Congress amended the GLBA as part of the Fixing America's Surface Transportation Act (FAST Act). This amendment to the GLBA provides financial institutions that meet certain conditions an exemption to the requirement under the GLBA to deliver an annual privacy notice. A financial institution can use the annual notice exception if it limits its sharing of customer information so that the customer does not have the right to opt out, and has not changed its privacy notice from the one previously delivered to its customer. The rule implements this legislation and establishes deadlines for institutions resuming annual privacy notices if their practices change and they therefore cease to qualify for the exemption.

The new rule specifically and logically replaces the Bureau's prior regulation allowing this notice, under these same circumstances, to be published on the financial institution's web site.

The complete rule may be found at:

https://files.consumerfinance.gov/f/documents/bcfp_glba-privacy-notices_fin

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Alt & Associates publishes the *Lenders Update* via e-mail as a complimentary service to our friends and clients in the financial industry throughout California and the United States. Over the past three decades, members of the firm have represented Institutional Lenders and Mortgage Bankers and Brokers in all aspects of their business operations. Legal counsel provided to the mortgage industry includes, but is not limited to:

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- ✚ Litigation representation

You may direct any questions or comments directly to:

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