

Gramm-Leach-Bliley Act "Privacy" (GLB Act)

Description:

Title V, subtitle A of this Act generally governs the protection of consumers' personal financial information by financial institutions. The Privacy Rule and the Safeguards Rule implement portions of Subtitle A. The Privacy Rule requires financial institutions develop and provide notice of their privacy policies to their customers. The Safeguards Rule requires financial institutions implement a plan to physically safeguard consumers' personal private financial information.

Dealer Relevancy:

- The FTC recently settled its first action against a dealership for violations of both the Privacy Rule and the Safeguards Rule. That dealership is now subject to 20 years of auditing, reporting, and FTC oversight.
- The Privacy Rule requires covered dealers provide notice outlining their activities involving the collection, protection, and sharing of consumers' personal financial information. Customers must be afforded an avenue to opt-out of having information shared with certain parties. The notice must be specific to the particular dealership and should reflect the actual practices of the dealership.
- The Safeguards Rule requires covered dealers develop and maintain a written plan outlining their procedures to safeguard, or physically protect, consumers' private financial information. The plan must be specific to the dealership and should accurately reflect the policies in place.

GLB "Privacy" Act



Covered entities:

BHPH

3rd Party Finance

Rulemaking Authority:

*CFPB

‡FTC

*CFPB with respect to Privacy Rule for BHPH dealers.

‡FTC with respect to Privacy Rule for non-BHPH dealers and with respect to Safeguards Rule for all dealers.