

# FEDERAL RESERVE BANK OF SAN FRANCISCO

101 MARKET STREET, SAN FRANCISCO, CALIFORNIA

March 31, 2005

## **BANKING SUPERVISION AND REGULATION: UNAUTHORIZED ACCESS TO CUSTOMER INFORMATION**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

### ***Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice (Docket R-1155)***

The federal bank and thrift regulatory agencies have jointly issued *Interagency Guidance on Response Programs for Unauthorized Access to Customer Information and Customer Notice*. The guidance interprets the agencies' customer information security standards and states that financial institutions should implement a response program to address security breaches involving customer information.

The response program should include procedures to notify customers about incidents of unauthorized access to customer information that could result in substantial harm or inconvenience to the customer.

The guidance provides that, "when a financial institution becomes aware of an incident of unauthorized access to sensitive customer information, the institution should conduct a reasonable investigation to promptly determine the likelihood that the information has been or will be misused."

"If the institution determines that misuse of its information about a customer has occurred or is reasonably possible, it should notify the affected customer as soon as possible," the guidance states. However, notice may be delayed if an appropriate law enforcement agency determines that notification will interfere with a criminal investigation.

Under the guidance, a financial institution should notify its primary federal regulator of a security breach involving sensitive customer information, whether or not the institution notifies its customers. This guidance is being published as a supplement to the Security Guidelines in the *Code of Federal Regulations*.

### **Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>.

For additional information about the guidance, please contact our Banking Supervision and Regulation Department at (415) 974-2927.

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Attachment:

[Docket OP-1155](#)