

Federal Reserve Bank of San Francisco
101 Market Street, San Francisco, California 94105

October 24, 2014

To State Member Banks, Bank
Holding Companies, Financial Holding
Companies, Savings and Loan Holding Companies,
and Foreign Banking Offices
in the Twelfth Federal Reserve District

Amendment to Annual Privacy Notice Requirement under Regulation P

On October 20, 2014, the Consumer Financial Protection (CFPB) finalized an [amendment](#) to Regulation P, which requires, among other things, that financial institutions provide an annual disclosure of their privacy policies to their customers. The amendment allows financial institutions to post privacy notices online instead of sending an annual paper copy (alternative delivery method), if:

1. It does not disclose the customer's nonpublic personal information to nonaffiliated third parties in a manner that triggers Regulation P opt-out rights;
2. It does not include on its annual privacy notice an opt-out notice under Section 603(d)(2) of the Fair Credit Reporting Act (FCRA);
3. The requirements of Section 624 of the FCRA and the Affiliate Marketing Rule, if applicable, have been satisfied previously or the annual privacy notice is not the only notice provided to satisfy such requirements;
4. The information included in the privacy notice has not changed since the consumer received the previous notice; and
5. The financial institution uses the model form provided in Regulation P.

To use the alternative delivery method:

1. The notice must be continuously posted in a clear and conspicuous manner on a page of its website, without requiring a login or similar steps or agreement to any conditions to access the notice;
2. The institution must mail annual notices to customers who request them by telephone, within ten days of the request; and
3. The institution must make customers aware that its annual privacy notice is available through these means by inserting a clear and conspicuous statement at least once per year on an account statement, coupon book, or notice or disclosure the institution issues under any provision of law.

A financial institution is still required to use one of the permissible delivery methods that predate the amendment if the financial institution has changed its privacy practices or engages in information-sharing activities for which customers have a right to opt out.

Resources

Additional information on CFPB rules and related guidance can be found on the CFPB's website at <http://www.consumerfinance.gov/>.

Additional Information

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

For additional information, please contact:

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