

SCHWARTZ & BALLELLP

1990 M STREET, N.W. • SUITE 500
WASHINGTON, DC 20036-3465

WWW.SCHWARTZANDBALLEN.COM

TELEPHONE
(202) 776-0700

FACSIMILE
(202) 776-0700

MEMORANDUM

January 12, 2016

To Our Clients and Friends

Re: Changes to GLB Act Annual Privacy Notice Requirement

Congress has enacted an amendment to the Gramm-Leach-Bliley Act (GLB Act) eliminating the requirement for sending annual privacy notices to consumers under certain circumstances. The amendment, which was enacted as part of the FAST Act,¹ eliminates the annual privacy notice requirement if a financial institution discloses a consumer's nonpublic personal information only in accordance with the exceptions in Section 502(b)(2) and (e) of the GLB Act, and if the institution has not changed its disclosure policies and practices from those most recently provided to consumers. The amendment was effective December 4, 2015.

Section 502(b)(2) of the GLB Act permits a financial institution to disclose nonpublic personal information to an unaffiliated party to perform services for the financial institution and to jointly market financial products and services without providing customers with an opportunity to opt out from the disclosure. Section 502(e) permits disclosures to unaffiliated third parties without providing customers an opportunity to opt out under additional specified circumstances, such as in response to subpoenas or other legal process.

The provision will not apply if the financial institution changes its policies and practices regarding disclosure of nonpublic personal information from those most recently provided to consumers.

A copy of the amendment can be found on our website at
<http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, or Heidi Wicker at (202) 776-0700.

¹ Section 75001 of Fixing America's Surface Transportation Act (FAST Act), Pub. L. 114-94.