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**MEMORANDUM**

August 10, 2018

To Our Clients and Friends

Re: Amendment to Gramm-Leach-Bliley Act Privacy Notice Requirement

The Bureau of Consumer Financial Protection (CFPB) has amended Regulation P, Privacy of Consumer Financial Information,<sup>1</sup> to implement the 2015 change to the Gramm-Leach-Bliley Act (GLBA) that exempts financial institutions that meet certain conditions from the requirement to deliver annual privacy notices. Under the CFPB's amendment to Regulation P, a financial institution can use the annual notice exception if it does not share nonpublic personal information about customers (except as described in certain statutory exceptions) and the institution has not changed its privacy policy from the policy set forth in the notice most recently provided to its customers. The rule also establishes deadlines for institutions resuming annual privacy notices if their practices change and no longer qualify for the exemption.

The CFPB also determined that the presence in an institution's privacy notice of disclosures made under the Fair Credit Reporting Act regarding the consumer's ability to opt-out of sharing of information among affiliates will not preclude an institution from qualifying for the exemption.

A financial institution that no longer qualifies for the exemption because of a change in its privacy policy that would otherwise require distribution of a new advance notice because of a change in the institution's disclosure policy will be required to provide its revised annual privacy notice in advance of the change. However, if the change in the institution's privacy policy would not otherwise require the institution to provide customers with a revised notice in advance of the change, the institution will be required to provide an annual privacy notice within 100 days of the change.

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<sup>1</sup> 12 C.F.R. Part 1016.

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The rule will be effective 30 days after publication in the *Federal Register*. However, as noted in the CFPB's release, the amendment to the GLBA was effective upon enactment of the legislation, which was December 4, 2015.

A copy of the CFPB's *Federal Register* notice is available on our website at <http://www.schwartzandballen.com/news.html>.

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