

Three comments were received: two from trade associations, and one from a financial institution. The financial institution suggested ways the agencies could improve their estimates. The commenters all asserted that the agencies underestimated the burden associated with this collection. Both trade associations also said that far fewer institutions find themselves in circumstances requiring disclosure than the agencies had originally estimated because institutions with less than \$1 billion in assets do not share customer information with nonaffiliated third parties. The net effect of these comments would be that the burden-per-institution estimate should be increased, but the number of institutions experiencing burden should be decreased. The agencies believe this conclusion is supported by the past three years' experience in implementing the collection. Accordingly, the agencies have increased their estimate of the burden per respondent for this collection of information, and reduced the estimated number of respondents.

The reporting burden for consumers has increased from the 2000 estimates to the 2003 estimates. This increase reflects the experience of banks since 2000 concerning the number of consumers that actually exercise their right to opt out. Despite the overall increase, the estimated response time per consumer was lowered from one hour to thirty minutes due to a better understanding of the amount of time it takes a consumer to respond to an opt-out notice.

Both trade associations suggested that the agencies develop a "short form" privacy notice to permit easier compliance with the statute and its implementing regulation. They both also suggested that the agencies re-interpret the statute's apparent requirement for annual disclosure to mean that annual disclosure is required only when an institution's privacy policies have changed since they were last disclosed. These suggestions exceed the scope of this notice and have been referred to the appropriate program officials for further consideration.

Title:

OCC: Privacy of Consumer Information.

Board: Reporting and Disclosure Requirements Associated With Regulation P (Privacy of Consumer Financial Information).

FDIC: Privacy of Consumer Financial Information.

OTS: Privacy of Consumer Financial Information.

Type of Review: Extension of a currently approved collection.

OMB Control Numbers:

OCC: 1557-0216.

Board: 7100-0294.

FDIC: 3064-0136.

OTS: 1550-0103.

Description: The Gramm-Leach-Bliley Act (Pub. L. 106-102) mandates that the Federal banking agencies issue regulations as necessary to implement notice requirements and restrictions on a financial institution's ability to disclose nonpublic personal information about consumers to nonaffiliated third parties. Those regulations are found at 12 CFR 40 (OCC); 12 CFR 216 (FRB); 12 CFR 332 (FDIC); and 12 CFR 573 (OTS). This collection of information is contained in those regulations.

The Agencies are proposing to extend OMB approval of the information collection associated with these regulations. This submission involves no change to the regulations or to the information collection requirements.

The information collection requirements are as follows:

Section __.4(a) requires a bank to provide an initial notice to consumers that accurately reflects its privacy policies and practices.

Section __.5(a) requires a bank to provide a notice annually to customers during the continuation of the customer relationship that accurately reflects the bank's privacy policies and practices.

Section __.7(a)(1) requires a bank to provide a clear and conspicuous notice that accurately explains the right to opt out. The notice must state that the bank discloses or reserves the right to disclose nonpublic personal information to nonaffiliated third parties; that the consumer has the right to opt out of that disclosure; and a reasonable means by which the consumer may exercise the opt out right. Section .10(c) states that a bank may allow a consumer to select certain nonpublic personal information or certain nonaffiliated third parties with respect to which the consumer wishes to opt out (partial opt-out).

Section __.8(a) requires a bank to provide consumers with a revised notice of the bank's policies and procedures and a new opt out notice, if the bank wishes to disclose information in a way that is inconsistent with the notices previously given to a consumer.

The regulation also identifies affirmative actions that consumers must take to exercise their rights. In order for consumers to prevent banks from sharing their information with nonaffiliated parties, they must opt out (§§ __.7(a)(2)(ii), __.10(a)(2) and __.10(c)).

Consumers also have the right at any time during their continued relationship with the bank to change or update their

opt out status with the bank (§§ __.7(f) and (g)).

These information collection requirements ensure bank compliance with applicable Federal law.

Affected Public: Business or other for-profit; individuals.

Frequency: Annually.

Burden Estimates:

OCC:

Estimated annual number of institution respondents: Initial notice, 118; annual notice and change in terms, 1,960; opt-out notice, 371.

Estimated average time per response per institution: Initial notice, 80 hours; annual notice and change in terms, 8 hours; opt-out notice, 8 hours.

Estimated subtotal annual burden hours for institutions: 28,088 hours.

Estimated annual number of consumer respondents: 481,950.

Estimated average time per consumer response: 30 minutes.

Estimated subtotal annual burden hours for consumers: 240,975 hours.

Estimated total annual burden hours: 269,063 hours.

Board:

Estimated annual number of institution respondents: Initial notice, 1,311; annual notice and change in terms, 6,692; opt-out notice, 1,197.

Estimated average time per response per institution: Initial notice, 80 hours; annual notice and change in terms, 8 hours; opt-out notice, 8 hours.

Estimated subtotal annual burden hours for institutions: 167,992 hours.

Estimated annual number of consumer respondents: 402,675.

Estimated average time per consumer response: 30 minutes.

Estimated subtotal annual burden hours for consumers: 201,338 hours.

Estimated total annual burden hours: 369,330 hours.

FDIC:

Estimated annual number of institution respondents: Initial notice, 208; annual notice and change in terms, 5,138; opt-out notice, 873.

Estimated average time per response per institution: Initial notice, 80 hours; annual notice and change in terms, 8 hours; opt-out notice, 8 hours.

Estimated subtotal annual burden hours for institutions: 64,728 hours.

Estimated annual number of consumer respondents: 223,475.

Estimated average time per consumer response: 30 minutes.

Estimated subtotal annual burden hours for consumers: 111,738 hours.

Estimated total annual burden hours: 176,466 hours.

OTS:

Estimated annual number of institution respondents: Initial notice,