

Protect Your Financial Privacy

The Federal Deposit Insurance Corporation and other federal regulators require banks, insurance companies, brokerage firms, credit unions, and certain businesses that share financial information to tell you their privacy policies. They must give you this information when you open an account, and at least once every year after.

Financial Institution Privacy Policies must include:

- The kinds of information being collected
- How the confidentiality and security of this information will be protected
- What types of businesses may be provided this information

Opting out of information sharing

Several companies state in their privacy policies that they will not sell/share information to third parties. In this instance, a consumer will only receive a privacy policy stating this and no "opt out" form will be included.

If a business is going to share the information with anyone outside its corporate family, it must also give you the chance to "opt-out" or say no to information sharing. Even if you don't opt out, your actual account numbers may not be shared with third parties for marketing purposes.

Your credit information has additional privacy protections under the Fair Credit Reporting Act. Only people with a legitimate business need can get a copy of your report. An employer can only get your report with your written consent.

New Privacy Regulations

The newly enacted Dodd-Frank bill (the Act) creates the Federal Consumer Financial Protection Bureau (CFPB). The CFPB will play a significant role in the future regulation of many financial entities. Sometime in 2011 or 2012, the CFPB and the FTC will enact new regulations, giving consumers greater access to the financial information about them held by regulated institutions. The Act requires the CFPB, and several other agencies, to issue regulations ensuring that certain entities protect the privacy of consumers' personal financial information.

Business regulated under Dodd-Frank will have to develop and give notice of their privacy policies to their customers at least annually and notify consumers before disclosing a consumer's personal financial information to an unaffiliated third party. The new regulations will provide an opportunity for consumers to "opt out" from such "third-party" disclosure.

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