

Streamlining Privacy Notifications

Did you know?

Every year credit unions are required to send millions of privacy notices to their members, most of which go unread and even unopened. Since 2001, credit unions have sent over 1 billion privacy notices to their members, averaging over 87,000,000 notices a year.

Our Ask:

Please cosponsor H.R. 5817 and urge support for the introduction of a companion bill in the Senate.

What are the policy issues?

- Credit unions must strictly follow an ever increasing number of rules and regulations. As a result, streamlining outdated or burdensome regulations is a very important aspect in providing regulatory relief.
- Credit unions strive to provide the most effective and efficient services to their members, which include ensuring their members are aware of their privacy rights.
- Under current law, the Gramm-Leach-Bliley Act requires a financial institution to send an annual privacy notification on information sharing practices to its members or customers.
- H.R. 5817 would amend the Gramm-Leach-Bliley Act to require a privacy notification be sent to a member or customer when the policy changes, rather than a redundant annual notice that is often overlooked.
- H.R. 5817 would provide common sense regulatory relief in the area of privacy notification requirements. Currently, this legislation is under review in the House and has yet to be introduced in the Senate.

What are the implications for credit unions and their members?

- H.R. 5817 would provide benefits for both credit unions and their members, by streamlining compliance burden and enhancing greater member awareness of the credit union's privacy policies.
- Streamlining this ineffective regulation will reduce the amount of diverted time and resources that a credit union's staff could be using for more important services to its members.
- Eliminating unnecessary mailings reinforces the emphasis credit unions place on ensuring their members are not bombarded with a flood of unnecessary mail – while ensuring at the same time the mail that members do receive is given greater attention.

H.R. 5817

(As of 10.17.12)

Lead Sponsor: Rep. Blaine Luetkemeyer (R-MO); Rep. Brad Sherman (D-CA)

Co-Sponsors: 34

Last Action: Referred to the Subcommittee on Financial Institutions and Consumer Credit on July 7, 2012.