

Overview

# GLBA Privacy Notice Obligations

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# GLBA Privacy Notice Obligations

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## Model Forms

The [Gramm-Leach-Bliley Act of 1999 \(GLBA\)](#) requires that financial institutions inform customers of their privacy policies. [15 U.S.C. § 6803\(a\)](#). The applicable federal regulators coordinated their regulations under GLBA, with an exception by the Consumer Financial Protection Bureau (CFPB) noted below. These notices must be provided (a) to the individual customer no later than when the institution establishes a customer relationship or (b) to a consumer before the institution discloses the consumer's non-public personal information to an unaffiliated third party. See, e.g., [16 C.F.R. § 313.4\(a\)](#)). A customer is defined as a "a continuing relationship between a consumer and you under which you provide one or more financial products or services to the consumer that are to be used primarily for personal, family, or household purposes." In contrast, a "consumer" means "an individual who obtains or has obtained a financial product or service from you that is to be used primarily for personal, family, or household purposes, or that individual's legal representative." [16 C.F.R. §313.3\(e\)](#) and (i).

With respect to existing customers, the notice must be provided annually. [16 C.F.R. § 313.5](#). In 2015, Congress amended [15 U.S.C. § 6803\(f\)](#) to provide an exception to this annual notice requirement as long as the institution (a) does not disclose nonpublic personal information of consumers to third parties (except for certain GLBA exemptions); and (b) the institution has not changed its policies and practices with regarding to disclosures, from the most recent disclosure sent to consumers. As a result of the change in GLBA, the CFPB amended Regulation P, [12 C.F.R. § 1016.5\(e\)\(1\)](#), to reflect the statutory amendment. The amended regulation also provides that, if a financial institution changes its policies or practices but does not announce the changes by delivering a revised privacy notice to consumers, the financial institution has 100 days from the date of the change to deliver the revised privacy policy. [12 C.F.R. § 1016.5\(e\)\(2\)\(ii\)](#).

The notice under GLBA must include six items:

- (1) the categories of nonpublic personal information the financial institution collects;
- (2) the categories of such information it discloses;
- (3) the affiliates and the non-affiliated third parties to whom such information is disclosed;
- (4) the institution's policies and practices with respect to protecting the confidentiality and security of nonpublic personal information;
- (5) a description of the customer's right to prevent certain disclosures to non-affiliated third parties and the method(s) the customer may use to exercise this opt-out right; and
- (6) a description of an institution's security procedures with respect to confidential information.

[16 C.F.R. § 313.6\(a\)](#).

The eight federal regulators (see [Comparison Table - GLBA Privacy & Data Security: Federal & State Regulatory Authority](#)) developed a model set of disclosure forms. Financial institutions are not required to use the forms, but they are market-standard because most financial institutions wish to take advantage of the "safe harbor" offered by the regulators. In the press release announcing the forms, the regulators stated that any financial institution choosing to use the form would essentially be deemed in compliance with GLBA's privacy disclosure requirements. See Joint Press Release, Federal Regulators Release Model Consumer Privacy Notice Online Form Builder, <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20100415a.htm> (Apr. 15, 2010).

These form notices are available in the C.F.R. for each federal regulator. There are four model notices. The first notice is a two-page form for financial institutions that do not share information with third parties:

**Version 1: Model Form With No Opt-Out.**

Rev. [insert date]

<b>FACTS</b>		<b>WHAT DOES [NAME OF FINANCIAL INSTITUTION] DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>■ Social Security number and [income]</li> <li>■ [account balances] and [payment history]</li> <li>■ [credit history] and [credit scores]</li> </ul> <p>When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p>		
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons [name of financial institution] chooses to share; and whether you can limit this sharing.		
Reasons we can share your personal information		Does [name of financial institution] share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus			
For our marketing purposes—to offer our products and services to you			
For joint marketing with other financial companies			
For our affiliates' everyday business purposes—information about your transactions and experiences			
For our affiliates' everyday business purposes—information about your creditworthiness			
For our affiliates to market to you			
For nonaffiliates to market to you			
<b>Questions?</b>	Call [phone number] or go to [website]		

Who we are	
Who is providing this notice?	[insert]
What we do	
How does [name of financial institution] protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. [insert]
How does [name of financial institution] collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ [open an account] or [deposit money]</li> <li>■ [pay your bills] or [apply for a loan]</li> <li>■ [use your credit or debit card]</li> </ul> [We also collect your personal information from other companies.] OR [We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.]
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. [See below for more on your rights under state law.]
Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ [affiliate information]</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ [nonaffiliate information]</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ [joint marketing information]</li> </ul>
Other important information	
[insert other important information]	

The second form is a two-page for financial institutions that disclose information to nonaffiliated third parties, and offers consumers the ability to opt-out of this third-party disclosure via telephone or online:

Version 2: Model Form with Opt-Out by Telephone and/or Online.

Rev. [insert date]

<b>FACTS</b>		<b>WHAT DOES [NAME OF FINANCIAL INSTITUTION] DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.		
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>■ Social Security number and [income]</li> <li>■ [account balances] and [payment history]</li> <li>■ [credit history] and [credit scores]</li> </ul>		
<b>How?</b>	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons [name of financial institution] chooses to share; and whether you can limit this sharing.		
		<b>Does [name of financial institution] share?</b>	<b>Can you limit this sharing?</b>
<b>Reasons we can share your personal information</b>			
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus			
For our marketing purposes—to offer our products and services to you			
For joint marketing with other financial companies			
For our affiliates' everyday business purposes—information about your transactions and experiences			
For our affiliates' everyday business purposes—information about your creditworthiness			
For our affiliates to market to you			
For nonaffiliates to market to you			
<b>To limit our sharing</b>	<ul style="list-style-type: none"> <li>■ Call [phone number]—our menu will prompt you through your choice(s) or</li> <li>■ Visit us online: [website]</li> </ul> <p><b>Please note:</b></p> <p>If you are a <i>new</i> customer, we can begin sharing your information [30] days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice.</p> <p>However, you can contact us at any time to limit our sharing.</p>		
<b>Questions?</b>	Call [phone number] or go to [website]		

Who we are	
Who is providing this notice?	[insert]
What we do	
How does [name of financial institution] protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings. [insert]
How does [name of financial institution] collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ [open an account] or [deposit money]</li> <li>■ [pay your bills] or [apply for a loan]</li> <li>■ [use your credit or debit card]</li> </ul> [We also collect your personal information from other companies.] <b>OR</b> [We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.]
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. [See below for more on your rights under state law.]
What happens when I limit sharing for an account I hold jointly with someone else?	[Your choices will apply to everyone on your account.] <b>OR</b> [Your choices will apply to everyone on your account—unless you tell us otherwise.]
Definitions	
<b>Affiliates</b>	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ [affiliate information]</li> </ul>
<b>Nonaffiliates</b>	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ [nonaffiliate information]</li> </ul>
<b>Joint marketing</b>	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ [joint marketing information]</li> </ul>
Other important information	
[insert other important information]	

The third form is for financial institutions that disclose information to nonaffiliated third parties, but only offers an opt-out by mail:

### Version 3: Model Form with Mail-In Opt-Out Form.

Rev. [insert date]

FACTS	WHAT DOES [NAME OF FINANCIAL INSTITUTION] DO WITH YOUR PERSONAL INFORMATION?	
Why?	Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
What?	The types of personal information we collect and share depend on the product or service you have with us. This information can include: <ul style="list-style-type: none"> <li>■ Social Security number and [income]</li> <li>■ [account balances] and [payment history]</li> <li>■ [credit history] and [credit scores]</li> </ul>	
How?	All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons [name of financial institution] chooses to share; and whether you can limit this sharing.	
Reasons we can share your personal information	Does [name of financial institution] share?	Can you limit this sharing?
For our everyday business purposes—such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus		
For our marketing purposes—to offer our products and services to you		
For joint marketing with other financial companies		
For our affiliates' everyday business purposes—information about your transactions and experiences		
For our affiliates' everyday business purposes—information about your creditworthiness		
For our affiliates to market to you		
For nonaffiliates to market to you		
To limit our sharing	<ul style="list-style-type: none"> <li>■ Call [phone number]—our menu will prompt you through your choice(s)</li> <li>■ Visit us online: [website] or</li> <li>■ Mail the form below</li> </ul> Please note: If you are a <i>new</i> customer, we can begin sharing your information [30] days from the date we sent this notice. When you are <i>no longer</i> our customer, we continue to share your information as described in this notice. However, you can contact us at any time to limit our sharing.	
Questions?	Call [phone number] or go to [website]	

Mail-in Form		
<b>Leave Blank OR</b> [If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.]  <input type="checkbox"/> Apply my choices only to me]	Mark any/all you want to limit: <ul style="list-style-type: none"> <li><input type="checkbox"/> Do not share information about my creditworthiness with your affiliates for their everyday business purposes.</li> <li><input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me.</li> <li><input type="checkbox"/> Do not share my personal information with nonaffiliates to market their products and services to me.</li> </ul>	
Name		<b>Mail to:</b> [Name of Financial Institution] [Address1] [Address2] [City], [ST] [ZIP]
Address		
City, State, Zip		
[Account #]		

Who we are	
Who is providing this notice?	[insert]
What we do	
How does [name of financial institution] protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.  [insert]
How does [name of financial institution] collect my personal information?	We collect your personal information, for example, when you <ul style="list-style-type: none"> <li>■ [open an account] or [deposit money]</li> <li>■ [pay your bills] or [apply for a loan]</li> <li>■ [use your credit or debit card]</li> </ul> [We also collect your personal information from other companies.] OR [We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.]
Why can't I limit all sharing?	Federal law gives you the right to limit only <ul style="list-style-type: none"> <li>■ sharing for affiliates' everyday business purposes—information about your creditworthiness</li> <li>■ affiliates from using your information to market to you</li> <li>■ sharing for nonaffiliates to market to you</li> </ul> State laws and individual companies may give you additional rights to limit sharing. [See below for more on your rights under state law.]
What happens when I limit sharing for an account I hold jointly with someone else?	[Your choices will apply to everyone on your account.] OR [Your choices will apply to everyone on your account—unless you tell us otherwise.]
Definitions	
Affiliates	Companies related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ [affiliate information]</li> </ul>
Nonaffiliates	Companies not related by common ownership or control. They can be financial and nonfinancial companies. <ul style="list-style-type: none"> <li>■ [nonaffiliate information]</li> </ul>
Joint marketing	A formal agreement between nonaffiliated financial companies that together market financial products or services to you. <ul style="list-style-type: none"> <li>■ [joint marketing information]</li> </ul>
Other important information	
[insert other important information]	



The final model form is a one-page form that contains only an optional mail-in form:

## Version 4. Optional Mail-in Form.

*✂*

Mail-in Form	
<b>Leave Blank OR</b> [If you have a joint account, your choice(s) will apply to everyone on your account unless you mark below.]  <input type="checkbox"/> Apply my choices only to me]	<b>Mark any/all you want to limit:</b> <input type="checkbox"/> Do not share information about my creditworthiness with your affiliates for their everyday business purposes. <input type="checkbox"/> Do not allow your affiliates to use my personal information to market to me. <input type="checkbox"/> Do not share my personal information with nonaffiliates to market their products and services to me.
	Name
	Address
	City, State, Zip
	[Account #]

**Mail To:** [Name of Financial Institution], [Address1]  
[Address2], [City], [ST] [ZIP]

(see, e.g., [12 C.F.R. Part 1016](#) App. A.).

For contract requirements between the financial institution and the nonaffiliated third party, see [Overview - Federal Trade Commission \(FTC\) Safeguards Rule](#).

### Delivery of Notices

Many financial institutions include the appropriate form notice on their websites, in addition to a website privacy policy. Financial institutions must also provide annual written notices. Even financial institutions that meet the CFPB's regulatory exception in Regulation P, described above, must additionally mail annual notices to any customer who requests one by telephone. [12 C.F.R. § 1016.9](#) (d). Note that consumers may agree to receive notices electronically. [12 C.F.R. § 1016.9](#) (a).

### Opt-Outs

GLBA permits consumers to opt-out of the disclosure of their nonpublic personal information that a financial institution would disclose to a nonaffiliated third party. Conversely, GLBA permits sharing of the information between and among affiliates of the financial institution, and the consumer cannot opt-out of this disclosure. If the financial institution wishes to share nonpublic personal information with a nonaffiliated third party, the institution must provide the required GLBA notice as well as permit the consumer a reasonable opportunity to opt-out of the disclosure. See [16 C.F.R. § 313.1010\(a\)\(1\)](#)). Note that, even if the consumer does not opt-out, financial institutions are prohibited from disclosing account numbers or access codes to nonaffiliated third parties (there is an exception for consumer reporting agencies). [16 C.F.R. § 313.12](#).

Under [15 U.S.C. § 6802](#), consumers do not have the option to opt-out of:

- Disclosures to third parties necessary to effectuate the transaction requested by the customer;
- Disclosures to credit reporting agencies;
- Disclosures to regulators or when otherwise required by law; or
- Disclosures in the event the institution sells its business.