

December 11, 2017

Dear Representative:

The American Financial Services Association (AFSA)¹ is pleased to express its support for H.R. 2396, the Privacy Notification Technical Clarification Act, bipartisan legislation introduced by Representatives Dave Trott (R-MI) and Lacy Clay (D-MO). This legislation amends the Gramm-Leach-Bliley Act (GLBA) to update the exception for certain annual notices provided by vehicle finance companies. We urge Members of Congress to support this important bipartisan legislation.

The GLBA requires financial institutions (FIs) to issue privacy notices to consumers if the FIs share consumers' non-public personal information with affiliates or third parties. These disclosures are required to be sent annually by mail, even if no changes to the policy have occurred.

Annual privacy notices without policy changes are redundant, unnecessary, and confusing. They contain several pages of small-print legalese, which have little value for consumers. In fact, they are largely discarded – unread – immediately upon receipt. However, producing and mailing these notices costs millions of dollars.

In December 2015, Congress enacted an outright exemption from the mailing requirement for FIs that: (1) do not share non-public personal information about consumers to unaffiliated third parties, and (2) have not changed its disclosure policies and practices since the most recent disclosure was sent to consumers. Unfortunately, certain FIs, such as those engaged in vehicle finance, cannot take advantage of this exemption due to the nature of the indirect auto finance process.

We ask members of the House of Representatives to pass H.R. 2396 to level the playing field for all FIs. If a vehicle finance company's privacy policy has not materially changed, the company should be permitted to satisfy the intent of GLBA by delivering its privacy notice through an electronic medium, or by mail upon request. A website address or toll-free number would be included in regular communications to consumers, such as monthly statements, as well as a description about where to locate procedures for the consumer to opt-out at any time. This would ensure that consumers have ready access to privacy policies 365 days a year, including a paper notice if they choose to receive it.

We respectfully request you vote in favor of H.R. 2396. Thank you for your consideration.

Sincerely,



Bill Himpler
Executive Vice President
American Financial Services Association

¹ Founded in 1916, AFSA is the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including direct and indirect vehicle financing, traditional installment loans, mortgages, payment cards, and retail sales finance.