



National Association of Federal Credit Unions
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B. Dan Berger
Executive Vice President
Government Affairs

December 12, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

Re: Pass H.R. 5817, the *Eliminate Privacy Notice Confusion Act*

Dear Leader Reid and Leader McConnell:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association exclusively representing the interests of our nation's federally chartered credit unions, I write in conjunction with today's House passage, by unanimous consent, of H.R. 5817, the *Eliminate Privacy Notice Confusion Act*. NAFCU urges the Senate to move swiftly and pass this important legislation when it is received from the House.

A substantially similar version of this bill passed the House by unanimous consent on April 14, 2010, but the Senate failed to consider the legislation. After more than two years, the Senate has the opportunity once again to address this important issue by acting on the bill without delay.

The Gramm-Leach-Bliley Act (P.L. 106-102), enacted in 1999, requires financial institutions and a wide variety of other businesses to issue privacy disclosure notices to consumers that detail the institution's privacy policies if it shares customers' non-public personal information with affiliates or third parties. The law also requires telling existing and potential customers of their right to opt out of sharing non-public personal information with third parties. Such disclosures must take place when a customer relationship is first established and annually in paper form as long as the relationship continues *even if no changes have occurred*. This legislation would help eliminate the confusion faced by many consumers by exempting institutions whose policies have not changed from this outdated requirement.

The privacy notice, for most institutions, is readily available for viewing online, as well as available at branch locations for consumers to acquire if they so wish. The exception will allow credit unions to focus their resources on providing low cost financial services to their members without disturbing consumer privacy policy availability. The staff resources and money wasted

The Honorable Harry Reid
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Page 2 of 2

to send the required notice to millions of credit union members every year are resources that could better serve them in the form of loans or interest payments.

As many institutions and consumers are earnestly attempting to "go green", the current requirement stands in stark contrast. The exception would save credit unions valuable staff resources, lower the cost of financial services, and reverse the negative environmental impact caused by such a requirement, while not harming consumers.

Accordingly, on behalf of our nation's credit unions and their nearly 95 million members, we respectfully request that the Senate act swiftly and pass H.R. 5817, the *Eliminate Privacy Notice Confusion Act*. Thank you for your consideration and should you have any questions or require any additional information please feel free to contact me or Brad Thaler, NAFCU's Vice President of Legislative Affairs, at 703-842-2204 or bthaler@nafcu.org.

Sincerely,



B. Dan Berger
Executive Vice President, Government Affairs

cc: Members of the United States Senate