

What compliance looks like: Privacy notices

By Gil Van Over

In our trip down the *What Compliance Looks Like* lane, we are discussing best practices. Today's topic...Privacy Notices.

Background

The Gramm-Leach-Bliley Act promulgated a number of rules administered by the Federal Trade Commission, including the Privacy Rule. The primary thrust of this rule is that financial institutions must provide their customers with a notice that outlines their obligations under the rule.

The FTC was kind enough to agree to language for this notice.

Best Practice

Don't get confused with the difference in definitions between consumer and customer and try to figure out your obligation. Just follow these simple best practices to ensure compliance with the Rule:

1. Understand what personal non-public information is. Conservatively speaking, I would consider it to be anything other than name and address.
2. Require that a Privacy Notice be given to a customer immediately upon receiving that customer's personal non-public information. Most times this will be when the customer gives your sales person his or her driver's license.
3. Consider eliminating the signature line on the form. The Rule does not require a signature; the NADA originally recommended it to confirm that the customer received a copy of the notice. Think about it, though, you get a copy of your credit card company's privacy notice once a year and you do not sign for one.
4. If you elect to keep the signature line on the form, do not lose a sale because a customer refuses to sign the form. Simply mail a copy of the form to the customer the next day.
5. More dealers are using the Privacy Notice as a rapport building tool in the sale process. Reminding a customer that identity theft is the fastest growing crime in America and that your dealership takes the safeguarding of the customer's personal, non-public information seriously can be a way to break the ice.

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