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Subpart A—Privacy and Opt Out Notices

216.4 Initial privacy notice to consumers required.
216.5 Annual privacy notice to customers required.
216.6 Information to be included in privacy notices.
216.7 Form of opt out notice to consumers; opt out methods.
216.8 Revised privacy notices.
216.9 Delivering privacy and opt out notices.

Subpart B—Limits on Disclosures

216.10 Limitation on disclosure of nonpublic personal information to nonaffiliated third parties.
216.11 Limits on redisclosure and reuse of information.
216.12 Limits on sharing account number information for marketing purposes.

Subpart C—Exceptions

216.13 Exception to opt out requirements for service providers and joint marketing.
216.14 Exceptions to notice and opt out requirements for processing and servicing transactions.
216.15 Other exceptions to notice and opt out requirements.

Subpart D—Relation to Other Laws; Effective Date

216.16 Protection of Fair Credit Reporting Act.
216.17 Relation to State laws.
216.18 Effective date; transition rule.
APPENDIX A TO PART 216—SAMPLE CLAUSES

AUTHORITY: 15 U.S.C. 6801 *et seq.*

SOURCE: 65 FR 35206, June 1, 2000, unless otherwise noted.

§ 216.1 Purpose and scope.

(a) *Purpose.* This part governs the treatment of nonpublic personal information about consumers by the financial institutions listed in paragraph (b) of this section. This part:

(1) Requires a financial institution to provide notice to customers about its privacy policies and practices;

(2) Describes the conditions under which a financial institution may disclose nonpublic personal information about consumers to nonaffiliated third parties; and

(3) Provides a method for consumers to prevent a financial institution from disclosing that information to most nonaffiliated third parties by ''opting out'' of that disclosure, subject to the exceptions in §§ 216.13, 216.14, and 216.15.

(b) *Scope.* (1) This part applies only to nonpublic personal information about individuals who obtain financial products or services primarily for personal, family, or household purposes from the institutions listed below. This part does not apply to information about companies or about individuals who obtain financial products or services for business, commercial, or agricultural purposes. This part applies to the U. S. offices of entities for which the Board has primary supervisory authority. They are referred to in this part as ''you.'' These are: State member banks, bank holding companies and certain of their nonbank subsidiaries or affiliates, State uninsured branches and agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge and Agreement corporations.

(2) Nothing in this part modifies, limits, or supersedes the standards governing individually identifiable health information promulgated by the Secretary of Health and Human Services under the authority of sections 262 and 264 of the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. 1320d–1320d-8).

§ 216.2 Rule of construction.

The examples in this part and the sample clauses in appendix A of this part are not exclusive. Compliance with an example or use of a sample clause, to the extent applicable, constitutes compliance with this part.

§ 216.3 Definitions.

As used in this part, unless the context requires otherwise:

(a) *Affiliate* means any company that controls, is controlled by, or is under common control with another company.

(b) (1) *Clear and conspicuous* means that a notice is reasonably understandable and designed to call attention to the nature and significance of the information in the notice.

(2) *Examples*—(i) *Reasonably understandable.* You make your notice reasonably understandable if you: