§ 716.13 Exception to opt out requirements for service providers and joint marketing.

(a) General rule. (1) The opt out requirements in §§716.7 and 716.10 do not apply when you provide nonpublic personal information to a nonaffiliated third party to perform services for you or functions on your behalf, if you:
   (i) Provide the initial notice in accordance with §716.4; and
   (ii) Enter into a contractual agreement with the third party that prohibits the third party from disclosing or using the information other than to carry out the purposes for which you disclosed the information, including use under an exception in §716.14 or 716.15 in the ordinary course of business to carry out those purposes.

(2) Example. If you disclose nonpublic personal information under this section to a financial institution with which you perform joint marketing, your contractual agreement with that institution meets the requirements of paragraph (a)(1)(ii) of this section if it prohibits the institution from disclosing or using the nonpublic personal information except as necessary to carry out the joint marketing or under
§ 716.14 Exceptions to notice and opt out requirements for processing and servicing transactions.

(a) Exceptions for processing transactions at consumer’s request. The requirements for initial notice in §716.4(a)(2), the opt out in §§716.7 and 716.10 and service providers and joint marketing in §716.13 do not apply if you disclose nonpublic personal information:

1. Servicing or processing a financial product or service that a consumer requests or authorizes;

2. Maintaining or servicing the consumer’s account with you, or with another entity as part of a private label credit card program or other extension of credit on behalf of such entity; or

3. A proposed or actual securitization, secondary market sale (including sales of servicing rights) or similar transaction related to a transaction of the consumer.

(b) Necessary to effect, administer, or enforce a transaction means that the disclosure is:

1. Required, or is one of the lawful or appropriate methods, to enforce your rights or the rights of other persons engaged in carrying out the financial transaction or providing the product or service; or

2. Required, or is a usual, appropriate or acceptable method:

   (i) To carry out the transaction or the product or service business of which the transaction is a part, and record, service or maintain the consumer’s account in the ordinary course of providing the financial service or financial product;

   (ii) To administer or service benefits or claims relating to the transaction or the product or service business of which it is a part;

   (iii) To provide a confirmation, statement or other record of the transaction, or information on the status or value of the financial service or financial product to the consumer or the consumer’s agent or broker;

   (iv) To accrue or recognize incentives or bonuses associated with the transaction that are provided by you or any other party;

   (v) In connection with:

   (A) The authorization, settlement, billing, processing, clearing, transferring, reconciling or collection of amounts charged, debited, or otherwise paid using a debit, credit or other payment card, check or account number, or by other payment means;

   (B) The transfer of receivables, accounts or interests therein; or

   (C) The audit of debit, credit or other payment information.

§ 716.15 Other exceptions to notice and opt out requirements.

(a) Exceptions to opt out requirements. The requirements for initial notice to consumers in §716.4(a)(2), the opt out in §§716.7 and 716.10 and service providers and joint marketing in §716.13 do not apply when you disclose nonpublic personal information:

1. With the consent or at the direction of the consumer, provided that the consumer has not revoked the consent or direction;

2. (i) To protect the confidentiality or security of your records pertaining to the consumer, service, product or transaction;

(ii) To protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability;

(iii) For required institutional risk control or for resolving consumer disputes or inquiries;

(iv) To persons holding a legal or beneficial interest relating to the consumer; or