



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC CREATES PRIVACY RULE HANDBOOK

The Federal Deposit Insurance Corporation (FDIC) today released a Privacy Rule Handbook to help banks comply with new consumer privacy protection requirements that go into effect July 1, 2001.

"The Privacy Rule Handbook will help banks, particularly smaller banks, meet their obligations under the privacy rule, and carry on the long tradition of serving the public well," said FDIC Chairman Donna Tanoue.

The new protections for consumers were established by the Gramm-Leach-Bliley Act of 1999. The FDIC and other federal financial institution supervisory agencies issued a final privacy regulation last year. Although the final regulation has an effective date of November 13, 2000, compliance is not mandatory until July 1, 2001. The regulations require financial institutions to issue privacy notices and provide consumers with an opportunity to stop or "opt out" of certain types of information sharing.

The Handbook explains the requirements of the privacy regulation, provides suggestions for reaching the July 1 deadline for issuing privacy notices, and suggests activities to monitor and maintain compliance over time. The Handbook also explains key terminology and lists other helpful resources.

The Privacy Rule Handbook will be mailed to all FDIC-supervised institutions. It also is available on the FDIC's Web site as an attachment to Financial Institution Letter-3-2001 at www.fdic.gov/news/news/financial/2001/index.html.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-7-2001