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Gottlieb, Mary H

From: Hurwitz, Evelyn S on behalf of Public Info

Sent: Monday, August 28, 2000 9:20 AM

To: Gottlieb, Mary H

Subject: FW:

-----Original Message-----

From: Jim Cousins [mailto:jcousins@inbankers.org]

Sent: Friday, August 25, 2000 5:08 PM

To: public.info@ots.treas.gov

Subject:

Attached are comments from the Indiana Bankers Association on Docket No. 2000-51.

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August 25, 2000

Communications Division
Office of the Comptroller of the Currency
250 E. Street S.W. Third Floor
Washington, DC 20219
[Docket No. 00-13]

Manager, Dissemination Branch
Office of Thrift Supervision
1700 G Street, N. W.
Washington, DC 20552
[Docket No. 2000-51]

Ms. Jennifer J. Johnson, Secretary
Board of Governors of the
Federal Reserve System
20th Street and Constitution Ave., N.W.
Washington, DC 20551
[Docket No. R-1073]

Mr. Robert Feldman, Exec. Secretary
Att: Comments/OES
Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, DC 20429

Dear Sir/Madam:

The Indiana Bankers Association (IBA) appreciates the opportunity to comment on the published guidelines for safeguarding customer information. The IBA is a trade association representing commercial banks and thrifts of all sizes and charter types in the state. Our members take very seriously their responsibility for guarding the security of information about their customers. We respectfully make the following suggestions in response to the agencies' request of June 26.

- Guidelines or Regulations

The Gramm-Leach-Bliley Act (GLB) does not mandate regulations in this area. Practicality strongly favors a guideline approach. We urge the agencies to avoid a "one size fits all" approach to this matter. Banks and thrifts already have policies in this area as a function of the 1991 FDICIA. Since institutions of different sizes handle this area differently, putting any of the issues addressed here into a regulation is to invite confusion, inequities, and technical noncompliance.

- Impact on Community Banks

Given the limited resources of community banks, any added compliance or paperwork burdens have to be of concern to us. We would strongly recommend that the guidelines be as flexible as possible and recognize that banks already have security policies that cover customer account information.

- Scope and Definition

We believe that any reasonable reading of section 501 of GLB would conclude that Congress intended the section to apply to natural person customer accounts and not to commercial accounts. We urge the agencies to issue the guidelines with a clear statement of their applicability to natural person customer information only.

- Role of Boards of Directors

Here again we must caution against a “one size fits all” approach. The guidelines should be sufficiently flexible to allow boards of directors to delegate the design and implementation of a bank’s security program to senior management. The degree of board involvement in the details of the program will, of necessity, vary from bank to bank.

- Employee Access to Customer Information

Here again, flexibility is the key to workable guidelines. A bank’s size and organizational structure will be the greatest factors in determining the appropriate level of access different employees have. In order for the contemplated guidelines to have the desired effect, the details must be left to each institution to construct.

Conclusion

Maintaining customer confidentiality and protecting customer information are standard practice and high priorities for our members and have been for a long time. Bankers are very conscious of their responsibility and their customer’s expectations. For this reason we believe that the issues addressed in the proposal can and should be handled in a way that meets the intent of GLB without adding to the regulatory and paperwork burden of our members. If you have need of additional information, please call me at (317) 921-3135.

Sincerely,

James H. Cousins
President.