



Jackson Federal Bank



March 26, 2004

Regulation Comments
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, DC 20552
Attention: No. 2003-62

(via email to: Regs.comments@OTS.treas.gov)

Re: Interagency Proposal to Consider Alternative Forms of Privacy Notices Under the Gramm-Leach-Bliley Act

Dear Sir:

Jackson Federal Bank (the "Bank") is an OTS-chartered savings bank with \$1.8 billion in assets. We operate primarily within southern California, where we have 15 retail offices and 3 lending offices.

The Bank appreciates the Agencies intention to develop a model privacy notice that would be short and simple. As a community bank, we are dependent on the trust of our customers and therefore, providing a privacy notice that is less complicated, more readable, and easier for our customers to understand is important to us.

The Bank believes that the Agencies should pursue the development of a short privacy notice, but remain cognizant that any changes to the Gramm-Leach-Bliley ("GLB") Act privacy notices should simplify, not further complicate the process for customers and the institutions that serve them. This is of particular concern in states where there are stricter requirements on information sharing practices and policies than those imposed by the GLB Act. The short form of the privacy notice should provide some "safe harbor" clauses that are broad enough to encompass differences that arise between federal and state laws. The adoption of a short form notice should not require institutions to develop and provide more than one privacy notice to its customers. Being required to provide more than one notice (GLB Act and state law) to customers would be counterproductive to this proposal and its attempt to simplify the disclosure of a bank's privacy policies.

Customers have difficulties understanding existing GLB Act privacy notices because of the complicated, legalistic language that is used in many notices. Even when a Bank attempts to make the language more customer friendly, they invite criticism because there is no explicit flexibility in the current regulations as to language. Regardless of the outcome of this proposal, to encourage the use of more plain English phrases, the Agencies should consider including sample clauses that an institution may choose to use in their notices. It is critical however, that institutions not be required to use these sample clauses, but permitted to do so as appropriate to their situation.

After reviewing the proposal in the context of the Bank's business and customer base, we do not believe that the use of the short form notice should be made mandatory. Each bank implements different GLB Act policies and procedures that are appropriate to their businesses and therefore trying to impose a "one size fits all" short notice would be counterproductive. Institutions should be allowed to develop their own notices, short or long, following agency guidelines. We encourage the Agencies to create a safe harbor from administrative enforcement for institutions that use standardized clauses in their notices or an entire standardized notice provided it accurately represents their practices.

As a community bank, we are also concerned with the costs associated with any changes to the existing notice requirements under the GLB Act privacy notice proposal, including but not limited to the costs of development, design and production of new notices and the training of staff. Clearly, a mandatory notice will be much more costly and burdensome than a permissible notice. Costs will certainly be increased if the format and/or language of the notice is standardized. These costs would be mitigated to some degree if the format and/or language is presented as a model with safe harbor protection. Finally, costs will also increase if the use of a short notice requires financial institutions to make supplemental privacy information available upon request.

We appreciate this opportunity to comment.

Sincerely,



Senior Vice President
Retail Banking