



## A.S. Pratt

Dear Valued Customer:

Enclosed is the most recent update to *The Law of Financial Privacy*. Privacy has been an active issue for many years, and 2011 is no exception. This update captures many of the important recent developments in the rapidly expanding world of privacy.

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 has far-reaching consequences for the financial services industry. Among the act's many changes to existing law were amendments to the Fair Credit Reporting Act, which are discussed in Chapter 1. The Consumer Financial Protection Act of 2010 (CFPA), which is Title X of the Dodd-Frank Act, creates the Consumer Financial Protection Bureau as an independent bureau within the Federal Reserve Board, with broad authority to regulate entities engaged in providing consumer financial products and services, as well as their service providers. In particular, the CFPA directs the bureau to ensure that all consumers are protected from "unfair, deceptive, or abusive" acts or practices, and transfers to the bureau regulatory authority for 18 existing financial services consumer protection laws, including most sections of the Fair Credit Reporting Act.

Privacy also has been an active topic at the state level. Nevada extended the encryption requirements of its data security law to "multifunctional devices," such as printers and copiers, that contain personal information. The Massachusetts Attorney General took action against a bank for alleged violations of the state's data security regulations. And the California Supreme Court issued a decision regarding collection of zip code information by retailers.

This update addresses all of these developments and more, including the following:

*Fair Credit Reporting Act.* Additions to Chapter 1 include:

- Consumer Financial Protection Act revisions to the FCRA's rulemaking and enforcement scheme
- Federal Trade Commission withdrawal of its FCRA Commentary and issuance of FCRA Staff Report
- Legislative and regulatory developments with respect to disclosure of credit scores
- Identity theft red flags legislation and litigation

*State Financial Privacy Laws.* Additions to Chapter 5 address:

- Nevada extension of the encryption requirements of its data security law to "multifunctional devices"
- Massachusetts Attorney General action regarding the state's data security regulations
- California Supreme Court decision with respect to violations of California's Song-Beverly Credit Card Act

*International Aspects of Financial Privacy*. Additions to Chapter 7 discuss:

- Countries newly deemed by the European Union to have an “adequate” level of privacy protection
- Canada legislation to amend its federal privacy law

Your comments are welcome, and we encourage your response to *The Law of Financial Privacy* — how it has helped you, how it can be improved, and additional topics to include. To submit such comments, to ask questions, or for information about additional A.S. Pratt products, visit our web site at [www.aspratt.com](http://www.aspratt.com) or call us at 1-800-456-2340. Our customer service representatives are happy to help you.

Sincerely,

Alana Foster  
Senior Editor