

Survey of Information Sharing Practices with Affiliates

Disclosure of Estimated Burden

The estimated average burden associated with this information collection is 10 hours per respondent. Burden estimates include the time for reviewing instructions, gathering and maintaining data in the required form, and completing the information collection, but exclude the time for compiling and maintaining business records in the normal course of a respondent's activities. A Federal agency may not conduct or sponsor, and an organization (or a person) is not required to respond to a collection of information, unless it displays a currently valid OMB control number.

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Agency/Subagency: TREAS/OTS

Title: Survey of Information Sharing Practices with Affiliates

Type of Information Collection: New collection (Request for a new OMB Control Number)

Type of Review Request: Regular

OIRA Conclusion Action: Approved
without change

Conclusion Date: 04/10/2008

Terms of Clearance: Since the agencies are not employing statistical methods to generate survey results that are representative of the surveyed population, OMB considers this to be a qualitative survey. Accordingly, the report to Congress must state that the survey data are qualitative and cannot be

considered representative of the population. OMB requests that the agencies share a draft of the report prior to its submission to Congress.

Survey of Information Sharing Practices with Affiliates

Introduction

In Section 214(e) of the Fair and Accurate Credit Transactions Act (FACT Act, Pub. L. 108-159, 117 Stat. 1952),¹ Congress required selected federal agencies² to conduct regular studies of the consumer information sharing practices of financial institutions and other persons that are creditors or users of consumer reports with their affiliates.

Your response, along with those from other entities being surveyed, will be aggregated and analyzed by the Agencies and will become the basis of an interagency report to the Congress. The report will not include names of, or otherwise identify, individual respondents. The interagency report will be available at: www.federalreserve.gov/boarddocs/rptcongress.

Instructions

General. When responding to survey questions, please mark the answers that apply to you. Your responses should reflect your information sharing practices with affiliates.

In many questions, there is space for you to provide a short explanation or alternative answer from the ones listed. To the extent possible, the Agencies will incorporate any supplemental information received from respondents (without attribution) within the report that the Agencies prepare for Congress. The Agencies encourage you to submit supplemental descriptive information about the purposes for which you share information with your affiliates.

¹ In general, the FACT Act amends the Fair Credit Reporting Act to enhance the ability of consumers to combat identity theft, increase the accuracy of consumer reports and allow consumers to exercise greater control regarding the type and amount of marketing solicitations they receive. To promote increasingly efficient national credit markets, the FACT Act also establishes uniform national standards in key areas of regulation regarding consumer report information. Finally, the FACT Act requires a number of studies to be conducted, including the Section 214(e) study on information sharing practices.

² The federal agencies involved in the study are: Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, Federal Trade Commission, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision (Agencies).

Throughout this survey, the terms “you” and “we” refer to the entity (e.g., commercial bank, savings institution, credit union, or other business) that is responding to the survey. Please respond to the extent possible about your entity’s information sharing with affiliates. Do not respond about such sharing and receiving activities on a combined basis for you, your affiliates, and your corporate holding company (if applicable). Examples of sharing include consumer information that is:

- put in a common database to which your affiliates have access
- used jointly by you and your affiliate(s)
- used in certain centralized functions within an organization, such as mortgage underwriting
- collected from on-line activities and accessible to affiliates
- provided to one affiliate which, in turn, provides the same consumer information to another.

The survey seeks information on your current information sharing practices with affiliates. Therefore, please provide responses for such practices that have taken place during the past 12 months. If your practices have changed during that time due to a significant event such as a merger, please provide responses regarding your practices as they exist today.

The shaded boxes found between survey questions provide information regarding the relevant statutory requirement from Section 214(e) of the FACT Act. The statutory requirements contained in these boxes form the basis for the survey questions that follow.

Confidentiality. Where possible, the Agencies will aggregate data from respondents for use in the report to the Congress. The report will not include names of respondents. If a member of the public requests copies of the survey responses, the Agencies would consider each request and determine whether the information is exempt from public release under the Freedom of Information Act (FOIA).

Glossary. See Appendix A.

How to respond. You may respond in one of two ways. Your first option is to complete the survey questionnaire electronically and email it to the contact below at the Office of Thrift Supervision (OTS). Please do not put identifying information on the survey questionnaire. After receiving your response, OTS staff will contact you if they have any questions.

Your second option is to complete the questionnaire via a telephone interview. In order to do that, please review the attached survey and prepare your answers. Then please call:

Suzanne McQueen, 202-906-6459, Suzanne.McQueen@ots.treas.gov , or

Cristina Chow, 202-906-6224, Cristina.Chow@ots.treas.gov

When responses are due. Please complete your survey and return it to OTS within 15 business days of receiving this survey questionnaire.

Once the Agencies have sent their report to Congress, the OTS will forward a copy to you. The report will also be available on the OTS website, www.ots.treas.gov.

FACT Act Affiliate-Sharing Survey

Please answer the following questions by checking (✓) all that apply.

1. Identify your primary business.

	Primary business
	Commercial bank
	Credit union
	Insurer
	Retailer
	Savings institution
	Other (please explain):

2. Identify the types of activities in which your company and your affiliates are engaged.

	Credit activities
	Agricultural lending
	Auto financing
	Commercial lending
	Consumer leasing
	Consumer lending
	Credit card issuing
	International trade financing
	Real estate lending
	Sales financing
	Secondary market financing
	Small business lending
	Other credit activities (please explain):
	Other activities
	Activities related to investments, securities, or other financial vehicles
	Insurance activities
	Trust activities
	Other activities (please explain):

3. Indicate the asset size of your company.

	Size of company
	Less than \$250 million
	\$250 million to under \$500 million
	\$500 million to under \$1 billion
	\$1 billion to under \$5 billion
	\$5 billion or more

4. Identify the geographical range of your company’s activities:

	Geographic range of market area
	Limited to one Metropolitan Statistical Area (MSA) ³
	Covering 2 to 10 MSAs
	Regional
	Regional with some national activity
	National
	National and international

5. Estimate the number of consumers whose information your company collects or maintains (for example, as a proxy, you may use the number of privacy notices that you distribute to consumers).

	Number of consumers
	Not known
	Less than 5,000
	5,000 to under 50,000
	50,000 to under 100,000
	100,000 to under 500,000
	500,000 to under 1,000,000
	1,000,000 to under 10,000,000
	10,000,000 to under 25,000,000
	25,000,000 to under 50,000,000
	50,000,000 or more

³ A list of MSAs may be found at www.ffiec.gov. Click on the link for “Census Reports” that is listed under the category of “Consumer Compliance.”

6. Do you share consumer information with your affiliates?

_____ Yes _____ No

7. Do you receive consumer information from your affiliates?

_____ Yes _____ No

If you answer no to both Question 6 and Question 7, stop here.

8. We share, or receive, consumer information with the following types of affiliates (check all that apply):

Share with	Receive from	
		Type of affiliate involved in sharing or receiving consumer information
		Commercial firm (e.g., retailer, automobile, or oil company)
		Consumer creditors other than depository institutions
		Data aggregators
		Holding company
		Insurance agencies or companies
		Insured depository institutions
		Securities brokers or dealers
		Service providers
		Special purpose entity issuing securities (e.g., credit card trust)
		Uninsured depository institution (e.g. trust bank)
		Other (please specify):

Section 214(e)(2)(A)(i) – Identify the purposes for which consumer information is shared with your affiliates.

9. We share with, or receive from, our affiliates consumer information for the following purposes (check all that apply):

Share with	Receive from	
		Purposes of sharing or receiving consumer information
		Back office services (e.g., processing transactions, billing, mailing of account statements and other disclosures)
		Customer service (e.g., a call center or Web site for a consumer’s use in accessing all accounts across an organization)
		Credit evaluation and underwriting
		Data processing (not included elsewhere on the list)
		Document storage and retention
		Employment and hiring
		Fraud prevention and detection
		Insurance underwriting
		Lower operating costs
		Marketing to consumers
		Regulatory compliance (e.g. Bank Secrecy Act/Anti-Money Laundering, HMDA)
		Research
		Risk management (e.g., credit or operational)
		Other (please specify):

Section 214(e)(2)(A)(ii) – Identify the types of consumer information shared with your affiliates.

10. We share with, or receive from, our affiliates the following types of consumer information (check all that apply):

Share with	Receive from	
		Types of consumer information shared with, or received from affiliates
		Application information (e.g., an applicant’s identifying information, income, assets, or liabilities)
		Consumer report information, including credit scores, obtained from consumer reporting agencies
		Public record information, other than that obtained from a consumer report
		Transaction or experience information other than, or in addition to, identifying information (e.g., payment history about an account the consumer has with us)
		Other (please specify):

Section 214(e)(2)(A)(iv)(I) – Identify whether you share or may share personally identifiable transaction or experience information with affiliates for purposes related to employment or hiring. In situations where personally identifiable transaction or experience information is shared with affiliates for purposes related to employment or hiring, identify whether the person that is the subject of shared information is given notice of such sharing, and the specific uses of such shared information.

11. We share with, or receive from, our affiliates personally identifiable transaction or experience information for purposes related to employment or hiring as follows (check all that apply). If you do not share with your affiliates such information for purposes related to employment or hiring and do not receive from your affiliates such information for these purposes, skip to question 13.

Share with	Receive from	
		Use of personally identifiable transaction or experience information for employment or hiring
		We share with, or receive from, our affiliates personally identifiable transaction or experience information for purposes related to employment or hiring.

12. The consumer is notified of the sharing of personally identifiable transaction or experience information and is notified of the use of such information for the purposes related to employment or hiring.

Y	N	Notification to consumer
		The consumer is notified of the sharing of such information <u>but is not notified of the specific uses.</u>
		The consumer is notified of the sharing of such information <u>and</u> is notified about the specific uses of such information that is shared.
		Other (please explain):

Section 214(e)(2)(A)(iv)(II) – Indicate whether you share or may share personally identifiable transaction or experience information with affiliates for purposes of general publication of such information.

13. We share with, or receive from, our affiliates personally identifiable transaction or experience information for purposes related to general publication as follows (check all that apply). If you do not share with your affiliates such information for purposes related to general publication and do not receive from your affiliates such information for these purposes, skip to question 14.

Share with	Receive from	
		General Publication - Use of personally identifiable transaction or experience information
		We share with, or receive from, our affiliates personally identifiable transaction or experience information for purposes related to general publication.
		We share with, or receive from, our affiliates such information for purposes of general publication in order to perfect a security interest, to comply with escheat laws, or to comply with Federal, State, or local laws or regulations.
		We share with, or receive from, our affiliates such information for purposes of general publication in widely distributed media.
		Other (please explain):

Section 214(e)(2)(B) – Describe the information sharing practices that you and your affiliates employ for the purposes of making underwriting decisions or credit evaluations of consumers.

14. We share with, or receive from, our affiliates consumer information for purposes related to underwriting decisions or credit evaluations as follows (check all that apply). If you do not share with your affiliates such consumer information for purposes related to underwriting decisions or credit evaluations and do not receive from your affiliates such information for these purposes, skip to question 17.

Share with	Receive from	
		We share with, or receive from, our affiliates consumer information for purposes related to underwriting decisions or credit evaluations.
		We share with, or receive from, our affiliates the following types of information for underwriting decisions or credit evaluations:
		Application information (e.g., an applicant’s identifying information, income, assets, or liabilities)
		Consumer report information, including credit scores, obtained from consumer reporting agencies
		Public record information, other than that obtained from a consumer report
		Transaction or experience information other than, or in addition to, identifying information (e.g., payment history about an account the consumer has with us)
		Other (please specify):

15. We receive from our affiliates consumer information for purposes related to underwriting decisions or credit evaluations as follows (check all that apply).

	We use the consumer information we receive from affiliates for the following purposes:
	Determination of eligibility for a credit or insurance product.
	Pricing for a credit or insurance product.
	Portfolio analysis or reporting.
	Providing services to affiliates
	Risk management activities related to assets (e.g., behavioral modeling and loss or claims management).
	Other (please specify):

16. We share with our affiliates consumer information, which they indicate that they intend to use for the following purposes related to underwriting decisions or credit evaluations (check all that apply).

	We share consumer information with our affiliates for the following purposes:
	Determination of eligibility for a credit or insurance product.
	Pricing for a credit or insurance product.
	Portfolio analysis or reporting.
	Providing services to affiliates
	Risk management activities related to assets (e.g., behavioral modeling and loss or claims management).
	Other (please specify):

Section 214(e)(2)(A)(iii) – Identify the number of options you give consumers to control the sharing of information with affiliates.

17. We give consumers the following options for controlling the sharing of information with affiliates (check all that apply).

Y		N		
				We do not provide consumers with a choice because we do not share consumer information with affiliates that is subject to an opt-out requirement.
				State laws limit our ability to share consumer information with affiliates.
Type of information				
Consumer Report Information		Transaction or Experience Information		
Y	N	Y	N	Sharing options
				We give consumers the ability to <u>opt out</u> of our sharing this type of information with affiliates.
				We give consumers the ability to <u>opt in</u> to our sharing this type of information with affiliates.
Other options or comments:				

Section 214(e)(2)(A)(iii) – Identify the degree to which consumers exercise choices, if at all.

18. We estimate the following percentage of consumers have chosen to opt out (or opt in) of the sharing of certain consumer information with our affiliates (check the appropriate box):

Opt-In	Opt-Out	Degree to which consumers exercise choices
		Don't know (e.g. do not keep records of consumers that exercise these choices in a manner that permits us to report this information)
		Less than 2 percent
		2 percent to under 4 percent
		4 percent to under 6 percent
		6 percent to under 8 percent
		8 percent to under 10 percent
		10 percent to under 16 percent
		16 percent to under 20 percent
		20 percent to under 30 percent
		30 percent to under 40 percent
		40 percent or more

Section 214(e)(2)(A)(iii) – Identify the manner in which consumers exercise choices, if at all.

19. We allow consumers to exercise their opt-out (or opt-in) choices through the following methods (check all that apply):

Manner in which consumers exercise choices	
<input type="checkbox"/>	E-mail
<input type="checkbox"/>	In person
<input type="checkbox"/>	Letter
<input type="checkbox"/>	Mailing back a tear-off form
<input type="checkbox"/>	Telephone
<input type="checkbox"/>	Web site
<input type="checkbox"/>	Other means (please specify):
<input type="checkbox"/>	

20. For those consumers who opt out (or opt in) using the methods noted in the table below, we estimate the percentages of consumers using each method are as follows (check the appropriate percentage rate for all methods that apply; numbers should sum to roughly 100%).

Opt out (opt in) method	Percentage of those consumers who opt out (or opt in) (by method used)					
	0-25%	26-50%	51-75%	76-100%	Don't track methods	Don't know
E-mail						
Web site						
Mailing back a tear-off form						
Telephone						
In person						
Letter						
Other means						

The Agencies thank you for your responses to this survey. [Insert Agency-customized reminder to return the survey.]

Glossary

The Agencies are providing the definitions in this glossary to help respondents generally to understand terms used in the survey. These may not be legal definitions and in some cases they may differ from the exact definition of the same term under federal or state law.

Affiliate

Any company related by common ownership or common corporate control with another company. An affiliate includes an operating subsidiary of a bank or a savings association or a credit union service organization controlled by a federal credit union.

Consumer

An individual.

Consumer information

Any record about an individual, whether in paper, electronic, or other form, that is a consumer report or is derived from a consumer report and that is maintained or otherwise possessed by or on behalf of an entity for a business purpose. Consumer information would also include transaction or experience information. The term includes a compilation of such records; it does not include any record that does not identify an individual.

Consumer report

Any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living that is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for: (1) credit or insurance to be used primarily for personal, family, or household purposes; (2) employment purposes; or (3) any other purpose authorized under section 604 of the Fair Credit Reporting Act. A report containing information solely as to transactions or experiences between the consumer and the person making the report is classified as transaction or experience information, and is not a consumer report. In this survey, the phrase "consumer report information" refers to information obtained or derived from a consumer report.

Employment purposes

Evaluating an individual for hiring or evaluating an existing employee for promotion, reassignment, or termination of employment.

General publication

For the purposes of this survey, general publication includes:

- federal, state, or local government records
- widely distributed media (e.g., telephone books or newspapers)
- disclosures to the general public that are required to be made by federal, state or local law.

Sharing information for purposes of general publication does not include furnishing information to a consumer reporting agency.

Opt-in

This term describes the prior permission granted by a consumer (an “opt-in”) before you can share certain consumer information with an affiliate.

Opt-out

This term describes a consumer’s opportunity to instruct you not to share certain consumer information with an affiliate (an “opt-out”). If a consumer does not opt out, you may share information with an affiliate.

Sharing

For purposes of this survey, examples of sharing include consumer information that is:

- put in a common database to which your affiliates have access
- used jointly by you and your affiliate(s)
- used in certain centralized functions within an organization, such as mortgage underwriting
- collected from on-line banking activities and accessible to affiliates
- provided to one affiliate which, in turn, provides the same consumer information to another

Transaction or Experience Information (T or E)

For purposes of this survey, examples of transaction or experience information include:

- balance information on an account a consumer has at an institution
- payment history by a consumer on a loan at an institution
- classifications or characterizations of a consumer by an institution based on a consumer’s history with an account at the institution (e.g., use of term “slow pay” to describe a consumer’s payment history on a loan).