



August 12, 2004

Federal Trade Commission
Office of the Secretary
Room H-159 (Annex Q)
600 Pennsylvania Avenue, NW
Washington, DC 20580

RE: FACT Act Affiliate Marketing Rule, Matter No. R411006

Dear FTC,

The Michigan Credit Union League (MCUL) appreciates the opportunity to provide comments to the Federal Trade Commission (FTC) concerning the proposed implementation of the FACT Act's rule on sharing information among affiliates. The MCUL is a trade association representing over 90% of state and federally chartered credit unions in the state of Michigan. This comment letter was drafted in consultation with the MCUL Government Affairs Committee, which is comprised of Michigan credit union staff and officials.

The MCUL suggests changes to a number of the proposed FTC regulations regarding a consumer's ability to opt-out of an information sharing agreement that a business may have with one of its affiliates. The MCUL believes that there are a number of areas in this proposal, which the FTC may have taken a position beyond what was originally intended in the FACT Act. We believe that there need to be significant changes and clarification in order to make this proposal beneficial to both consumers and businesses.

Summary of Comments

- MCUL believes that the party responsible for providing the opt-out notice to the consumer should be left to the discretion of the arrangement between the business and its affiliate. The responsibility should not fall on the entity that plans on distributing the information, unless that is their agreement.
- MCUL believes that inquiries from consumers should be considered an exception to the requirement to provide a notice and opportunity to opt-out of certain marketing information. The FTC should remove the requirement that the inquiry be an affirmative request for information and that the consumer provide contact information.
- MCUL believes that the exception to opt-out should extend to any contact the consumer initiates, not only when they request information related to the product or service that the company offers.
- MCUL believes that there should be as much uniformity between the FTC's proposal and the current information restrictions spelled out in the Gramm-Leach-Bliley Act (GLBA) and Fair Credit Reporting Act (FCRA).
- MCUL does not believe that an indefinite opt-out is necessary when credit union members terminate their accounts. This poses difficulties in tracking member identification when files are purged from the system and it is unlikely that credit unions would solicit member information.
- MCUL believes that opt-out renewals should be the same forms as the originals.

