

Summary of Presentation by Representatives from the Banking Industry
GLB Interagency Meeting on the ANPR on Privacy Notices
February 18, 2004
Federal Trade Commission Conference Center

Participants:

John Byrne, American Bankers Association
Campbell Tucker, Wachovia
Pete McCorkell, Wells Fargo
Kathy Kohler, Bank of America
Marcia Sullivan, Consumer Bankers Association

Comments:

Mr. Tucker provided a copy of the Wachovia privacy policy. Ms. Sullivan, whose association represents community banks, stated that the bankers generally like short notices. However, some banks like the long notice; they believe that their customers prefer these notices. She raised the issue of federal preemption, expressing the industry's concern about lawsuits.

Mr. Byrne, whose association also represents many community banks, stated that their members are not getting push-back from consumers about notices. While the concept makes sense, he raised the issues of cost to the industry. He said that the industry has made adjustments to notices during the past three years.

Mr. McCorkell said that their customers like the longer notice because it has more information.

Ms. Kohler said that consumers don't care about what information is collected. Bank of America also found that there is not a high level of opt-outs for affiliate sharing. Consumers are interested in opt-out information from the DMA, which both Wells Fargo and Bank of America provide in their notices.

In response to a question about what information the speakers want removed from the current notices, Ms. Kohler suggested security and the information collected. She said consumers are interested in the sharing of information, but pointed out that Bank of America does not have a third party (nonaffiliated) opt-out.

Mr. McCorkell stated they don't have the sense that consumers are making decisions based on privacy. Mr. Tucker agreed. He said that consumers just want to know what their choices are and how to exercise them. Mr. Tucker added that they have found in focus groups that the three most important issues for consumers are: (1) choices; (2) how to opt out; and (3) how to protect themselves. He added that there are a lot of things consumers find valuable that the law doesn't require, and that what consumers really care about is marketing – being left alone. Bank of America has used focus groups every year in a variety of locations to look first at language and then at how to make the notice more appealing to consumers to read. They changed the vocabulary from “family of companies” to “the Bank of America companies” and use “customer

information” instead of “nonpublic personal information.” Mr. McCorkell said Wells Fargo has used focus groups and one-on-one testing. He noted that they get better information from one-on-one testing.

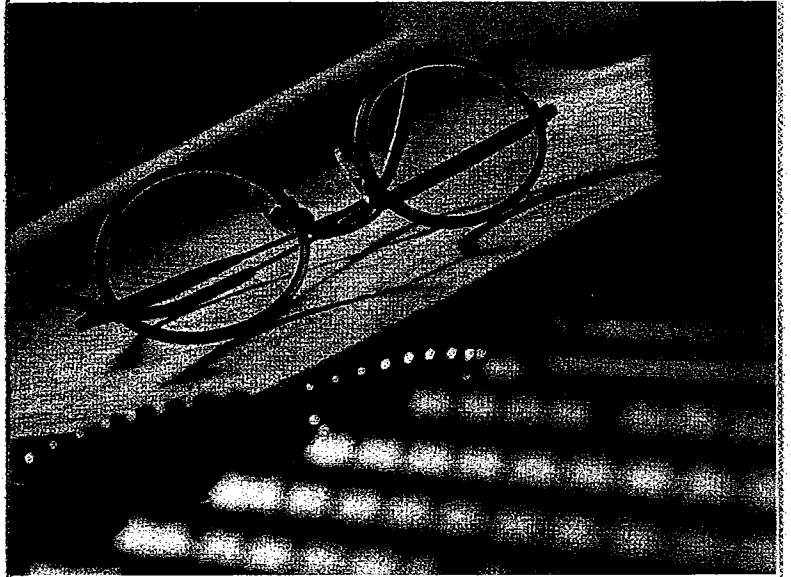
Ms. Kohler noted that the sample opt-out forms suggest mailing opt-out elections. She said that Bank of America doesn't take opt-outs by mail; they are all handled by phone or online, and that the online form is not by email, but by secure online transmission.

In response to a question about whether banks that currently offer an opt-out for affiliate marketing will continue to do so in light of the Fair and Accurate Credit Transactions Act (FACTA) affiliate marketing provision, Ms. Kohler said Bank of America will likely keep the current opt-out option. Mr. McCorkell said it is likely that Wells Fargo cannot take advantage of the exceptions, but that they intend to incorporate the FACTA affiliate marketing notice into the Gramm-Leach-Bliley Act (GLB) notice. On opt-out rates, Bank of America reported about a 5% rate for affiliate sharing. Wells Fargo has reported a 2-3% rate.

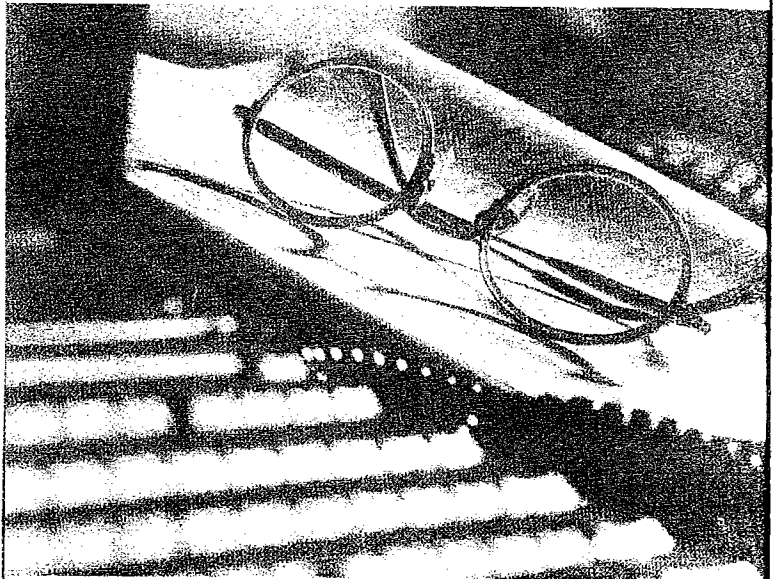
Ms. Sullivan noted that the short form by itself will create more problems and confusion, but a standardized form would be much more helpful. Mr. Tucker added that the approach in sample C of the appendix is more appealing. Ms. Kohler said that Bank of America decided to put summary or highlights information at the top or beginning of their notice. Mr. Tucker said that based on the focus group information, Wachovia generally puts the information in their notice in the order consumers prefer to see it.

All the speakers agreed that it makes sense to include the new FACTA affiliate marketing notice into the GLB notices to avoid sending more than one notice.

Privacy Statement



WACHOVIA



Privacy at a Glance

Wachovia¹ is your partner in helping you achieve your financial goals. We are dedicated to providing you with the highest level of service and protecting your privacy. As technology continues to transform the way information is collected and distributed, we want to make sure you know that we have implemented a number of important practices for safeguarding the privacy and security of financial information about you.

- We employ safeguards to protect customer information and to prevent fraud.
- We carefully manage information about you among the companies that make up Wachovia. By understanding your complete relationship with us, we can provide you with more personalized and efficient service.
- We do not sell customer information to other companies for marketing purposes.

¹Wachovia Corporation, or Wachovia, includes multiple companies, such as Wachovia Bank, N.A., Wachovia Mortgage Corporation and Wachovia Securities, LLC. This Privacy Statement applies to all Wachovia companies unless the Wachovia company provides notice that a separate Privacy Statement applies to that company. This Privacy Statement explains how we handle and protect information and replaces any Privacy Statements previously provided. The Privacy Statement applies to consumers who are customers or former customers of Wachovia companies and have established relationships with Wachovia in the United States. The policies and practices described in this Privacy Statement are subject to change, but we will notify you of any significant changes.

You Have Choices

You may direct us not to contact you for marketing purposes by:

- Telephone.
- Direct mail.
- E-mail.

You may direct us not to share, within Wachovia, non-transactional information about you (such as credit or employment history) that we receive from others.

How to Reach Us to Exercise Your Choices

- Visit a Wachovia Financial Center.
- Call us at 866-203-5722 to speak to a representative, (CAP, IRA, Brokerage and Insurance customers, please call 877-358-1114).
- Complete our Consumer Privacy Preferences Form at wachovia.com/privacy.

How You Can Help Protect Your Privacy

- Do not share your account information, passwords or code words with others.
- Do not provide confidential information by telephone to unknown callers. Do not provide confidential information online unless you initiated the contact, know the party with whom you are dealing and provide the information through a secure channel.
- When conducting business over the Internet, always use a secure browser and exit online applications as soon as you finish using them.
- Protect your account records.

- If you believe you are a victim of fraud or identity theft, please contact us at 888-647-3648 for assistance, such as to put holds on your accounts. Also, see the "Identity Theft Assistance" section of our Privacy Statement.

Since this section is a summary, it is important that you read the rest of this statement.

How We Secure Your Assets and Protect Information

About You

- We train our employees to protect customer information.
- We continually enhance our security tools and processes.
- We protect customer data and accounts by asking you for information that only you should know when you contact us. We follow these procedures in our financial centers, on the phone and via the Internet.

How We Protect Your Privacy Online

Protecting customer information online is an essential part of our service to you.

- Our systems use technologies such as firewalls (which protect systems from intrusion) and encryption (scrambling of information) to protect customer information.
- We validate your identity through confidential access codes before we allow online access to your accounts.

For more information on our Internet Security and Privacy policies, please visit wachovia.com/privacy.

How We Gather Information to Understand Your Financial Needs

The information we gather about you helps us to better understand your financial needs and to provide more personalized, efficient service to you. For example, this information may prompt us to suggest overdraft protection for your checking account or recommend an investment product that has the potential to pay you higher earnings.

The information we gather comes from a variety of sources, including:

- Information you provide to us (such as information on applications about assets and income).
- Information related to your transactions with Wachovia (such as account balance and payment history).
- Information we receive from credit reporting agencies and other companies (such as your credit history) when you apply for a service.
- Information we obtain from others at your request (such as information about assets held at another institution for inclusion in a financial plan).
- Information obtained when you use Internet products and services (such as application and transaction information and information contained in e-mails you send us).

We carefully manage all the information gathered about you as described in the following section.

How We Manage Information to Serve Your Needs

Within Wachovia Corporation

We consolidate information about customers within the companies that make up Wachovia Corporation, including:

- Information based on your transactions with us (for example, information that we would collect about your loan amounts and deposits with us in order to offer you a rate based on total balances) and contact information (such as your name and address).
- Non-transactional information received from others (such as credit or employment history) to evaluate your eligibility for various financial services (for example, a line of credit at a special rate).

You may tell us not to share non-transactional information with other Wachovia companies.* For more information, see the section on the following page entitled, "Your Choices as a Customer."

Outside of Wachovia Corporation

Other than limited exceptions like those below, we do not provide customer information to companies outside of Wachovia Corporation. You do not need to request this confidentiality; it is our standard practice.

In order to serve your needs, we may provide all of the information we gather to:

- Specialists that perform business operations for us (such as check printing).

- Companies that act on our behalf to market our services, or companies with whom we have entered into a joint marketing agreement in order to provide you with valuable financial services that we do not offer (such as credit cards).*
- Others only as permitted or required by law (such as to protect against fraud or in response to a subpoena).

We select very carefully the companies that provide services on our behalf, or offer you financial services that we do not provide. Also, we only provide them with information that we believe is necessary to fulfill their responsibilities or to provide a financial service to you. These companies are prevented by legal agreement from using this information for their own purposes or selling this information to others.

***Other Applicable Laws**

The practices described above are in accordance with federal law. We may also be subject to other privacy requirements under applicable state law. For example, Vermont law places additional limits on sharing information about Vermont residents. So long as they remain residents of Vermont, we will not share information we collect about Vermont residents to companies outside of Wachovia, except:

- To companies that perform marketing or other services on our behalf;
- Contact information (like name and address) and transaction information (such as your payment history) to other financial institutions with which we have joint marketing agreements;

