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VIA UPS

March 20, 2000

Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue N.W.
Washington, D.C. 20580



RE: Gramm-Leach-Bliley Act ("GLB Act") Privacy Rule –
16 CFR Part 313 – Comment

Dear Mr. Secretary:

Premier Auto Finance ("Premier") purchases and services retail automobile installment contracts and leases from automobile dealerships. It has over 200,000 customers (not including co-signers). Currently, Premier does not disclose non-public information about its customers to third parties other than as permitted by one of the exceptions to Section 502(e) of the GLB Act (such as to credit bureaus).

The proposed rule at §313.4 and §313.5 would require Premier to send an initial and annual notice to all of its customers telling them that Premier does not share non-public information about them with third parties or affiliates. This will result in a large cost and burden on Premier for very little benefit to its customers.

From a legal standpoint, these sections of the proposed regulations are not required by the GLB Act. Section 502(a) of the GLB Act provides as follows:

"Except as otherwise provided in this subtitle, a financial institution may not, directly or through any affiliate, disclose to a non-affiliated third party any nonpublic personal information, unless such financial institution provides or has provided to the consumer a notice that complies with Section 503."

Section 503 requires that a financial institution disclose its privacy policy at the time a customer relationship is entered into and annually thereafter. Clearly these two sections are tied together. A financial institution cannot disclose non-public personal information unless it gives the Section 503 notices. Conversely, if an institution does not disclose nonpublic personal financial information, no Section 503 notices should be required.

Section 501 of the GLB Act states that the purpose of the Subtitle is to protect the security and confidentiality of customers' non-public personal information. How does requiring a financial institution to tell its customers that it does not disclose non-public information about them further the Act's purpose? A financial institution might voluntarily choose to tell its customers about its non-disclosure policy as a marketing tool, but the regulations should not require them to do so.

We propose that the proposed regulations be amended as follows:

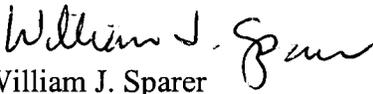
1. Section 313.4 (b)(1) is amended by deleting the “; and” at the end of that subsection and replacing it with a period.
2. Section 313.4 (b) (2) is deleted.
3. Section 313.5 (c)(1) is amended to read as follows:
“(c)(1) You are not required to provide an annual notice to a customer if:
(a) You do not disclose any nonpublic, personal financial information about the customer to any nonaffiliated third party, other than as authorized by §313.10 and §313.11; or
(b) You no longer have a continuing relationship with that customer.

Of course, if a financial institution changes its policy and begins to disclose non-public personal information to third parties, it would have to give the notices required by the GLB Act.

Our proposed amendments described above are consistent with the purpose and express language of the GLB Act. Additionally, they will greatly ease the regulatory burden on traditional financial institutions and on all of the entities (many of which are small businesses) that will come within the GLB Act's expansive definition of “financial institution”. Our proposed amendments may have an additional benefit: If companies can avoid the notice requirements of §503 of the GLB Act by not disclosing information to third parties, more companies may choose not to disclose such information.

As requested, we have included a disk containing this letter in Word format. We appreciate the opportunity to comment on the proposed regulation.

Very truly yours,


William J. Sparer
Counsel