



UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

Debra A. Valentine
General Counsel

October 18, 2000

The Honorable Gary D. Preszler
Commissioner
Department of Banking and Financial Institutions
State of North Dakota
2000 Schafer Street, Suite G
Bismarck, ND 58501-1204

Dear Commissioner Preszler:

Thank you for your letter dated September 12, 2000, regarding the application of the Gramm-Leach-Bliley ("GLB") Act and its implementing rules in North Dakota. Pursuant to Section 507 of GLB Act, you asked for a determination as to whether the North Dakota Disclosure of Customer Information law affords greater protection to any person than is provided under the GLB Act. Additionally you asked whether North Dakota state chartered financial institutions must comply with GLB Act provisions that are not covered under North Dakota law and also with provisions of state law that are determined to afford any person greater protection than the federal law.

Some clarification as to the meaning and effect of certain provisions of the North Dakota law would aid our analysis in preparing a recommendation to the Commission. Your responses to the following questions, based on relevant rules, case law, interpretations or practices in North Dakota, will inform the Commission's analysis of the relationship between the state and federal schemes.

1. What entities, if any, are covered by the definition of financial institution under North Dakota Century Code Section 6-08.1-01(3) other than banks, savings banks, trust companies, savings and loan associations and credit unions?
2. Section 6-08.1-01(2)(a) defines customer information as "any original or any copy of any records held by a financial institution pertaining to a customer's relationship with the financial institution." Specifically, what information is included in this definition? Have any authorities interpreted the terms "held by" and "pertaining to the customer's relationship?"
3. Section 6-08.1-03 prohibits a financial institution from disclosing customer information unless the disclosure is made pursuant to a customer's valid consent or for other specified reasons. Does this provision require that financial institutions provide any disclosures to

customers to inform their consent to disclosure? Under what circumstances, if any, is a valid consent revocable?

4. Section 6-08.1-02(6) allows financial institutions to exchange customer credit information in the regular course of business with commercial entities and customer reporting agencies. Please describe the disclosures that this provision allows, and what your Department or the courts have construed the terms "customer credit information" and "regular course of business" to mean.

The responses that you provide will be placed on the Commission's public record. Dorothy Patton, an attorney in my office, is assigned to this matter. Please feel free to contact her at (202) 326-2305 if you have any questions or wish to discuss the matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Debra A. Valentine".

Debra A. Valentine
General Counsel