



Credit Union National Association

cuna.org

601 Pennsylvania Ave., NW | South Building, Suite 600 | Washington, DC 20004-2601 | PHONE: 202-638-5777 | FAX: 202-638-7734

December 22, 2011

Federal Trade Commission
Office of the Secretary
Room H-113 (Annex E)
600 Pennsylvania Avenue NW
Washington, DC 20580

Re: COPPA Rule Review, 16 CFR Part 312, Project No. P104503

Dear Sir or Madam:

The Credit Union National Association (CUNA) appreciates the opportunity to submit comments to the Federal Trade Commission (FTC) regarding the agency's proposed revisions to the Child Online Privacy Protection Act (COPPA) regulations. Specifically, these changes would revise the existing COPPA rules established in 2000 to change their parental consent and disclosure requirements, among other things. By way of background, CUNA is the largest credit union advocacy organization in this country, representing approximately 90% of our nation's nearly 7,300 state and federal credit unions, which serve 93 million members.

CUNA supports the FTC's efforts to protect children. We urge the agency, however, to modify several aspects of the proposal in order to make it easier for credit unions to obtain parental consent under the COPPA rules and limit unnecessary disclosure requirements. Credit unions frequently provide savings accounts and other limited services to children and seek to help them develop productive savings habits. Credit unions also provide children and other minors with financial literacy education that will serve them well as financial service users and borrowers. Many credit unions engage in youth outreach using CUNA's [Googoplex](http://cuna.org/finlit/gplex.html),¹ a financial literacy website for young people, as well as the National Credit Union Foundation's ["Biz Kid\\$" financial literacy initiative](http://www.ncuf.coop/home/programs/bizkids/bizkids.aspx)² that teaches children and teens about money and business.

100% Deletion Standard

CUNA supports the proposed elimination of the current COPPA rules' "100% deletion" standard for child personal information that a parent has asked an operator to expunge. CUNA also supports the proposed "reasonable measures" standard for compliance with the COPPA rules' requirement that operators must delete child personal information upon request. In our view, the "reasonable measures" standard will provide the same or a similar level of

¹ <http://cuna.org/finlit/gplex.html>

² <http://www.ncuf.coop/home/programs/bizkids/bizkids.aspx>



child privacy as the “100% deletion” standard while allowing operators to employ more cost-effective and innovative methods of deleting child personal information than the current COPPA rules allow.

“Personal Information” Definition

CUNA does not support the proposed definition of “personal information” to include all types of user names (other than ones used solely for support purposes). We believe that a user name should not be considered “personal information” within the meaning of the rule if the child creates the user name as part of an online registration process that does not collect any personal information like email addresses or real names, when certain conditions are met. These include: (1) the user name is only displayed to the child using the website when he or she is logged in (and never publicly disclosed or displayed) and/or (2) the operator uses technology that is reasonably effective at disabling any screen names that contain e-mail addresses, phone numbers, street addresses, birthdays, Social Security numbers, or other personal identification.

A screen or user name that is never publicly displayed and/or cannot include personally-identifying information (such as an email address) does not pose the risk of compromising a child’s privacy and therefore should not be considered “personal information” under the COPPA rules.

Direct Notices Regarding Non-Collection of Child Personal Information

CUNA opposes the proposed requirement for operators to send a direct notice to parents even if the operator does not collect child personal information. This is not a requirement of the current rule, and we believe that it is inconsistent with COPPA’s congressional intent—since Congress only intended COPPA to protect children from unauthorized collection of their personal information—to require operators to provide parents with a disclosure that the website their child is using does not collect child personal information at all.

In addition, this requirement could make it more difficult for credit unions that do not collect any child personal information to provide financial literacy and similar outreach to children using online systems. This is because requiring children to provide an operator with their parent’s email address in order to use an online service may deter children from using the website or other online service.

Parental Consent at Credit Union Branch Offices

CUNA requests clarification that credit unions and other operators with physical offices—such as credit union branches—can provide parents with the direct notice required by the rule in person (as opposed to be email or

postal mail), and also obtain the parent's consent at that time, such as by verifying the parent's age and identity using a form of government-issued identification. In addition to being a reliable method of both providing the direct disclosures and verifying parental age and identity, we believe that providing the direct disclosure and obtaining consent at credit union branches—such as when a parent is helping a child open a savings account—would help facilitate credit union child savings and financial literacy efforts.

Parental Consent Using “Email Plus” for Not-For-Profits

CUNA does not support the proposed elimination of the “email plus” method of parental consent. Although we understand the FTC's concerns regarding possible falsification of parental consent using the “email plus” method, we note that several of the other methods of parental consent under the proposed rule—such as mailing or faxing a parental consent form purportedly signed by the child's parent—can also be falsified by precocious youngsters.

CUNA urges the FTC to permit credit unions, philanthropic organizations, schools, governmental entities, trade associations, and similar not-for-profit operators to continue to use the existing rule's “email plus” method of consent in connection with youth financial literacy education efforts and similar efforts to promote thrift and financial responsibility. We believe that “email plus” generally provides reliable parental consent similar to the other methods included in the proposed rule. Preserving the “email plus” approach for not-for-profit operators would make it easier for credit unions—which are not-for-profits with the mission to promote thrift—to engage in child financial literacy and similar outreach because some parents who would provide consent using an electronic method like “email plus” may be reluctant to take the additional time to use the proposed rule's other methods of consent.

“Email Plus” For All Operators

In addition to allowing not-for-profit operators to continue to use the current version of the “email plus” method of parental consent, we urge the FTC to allow “email plus” to continue to be used by any operator (including for-profit operators) if as part of this process the parent can verify his or her own personal information that the operator already has on file.

For example, if an operator already has the parent's email address and other information about the parent that children do not typically know on file that can confirm the parent's identity (e.g., Social Security number, account number, driver's license number, etc.) and the operator requires the parent to verify this information in the confirmatory email or using a secure online form, it would be very difficult for most children to be able to fake being the parent in question. This approach to parental consent would also be more difficult

for children to fake than mailing or faxing a consent form because the proposed rule's consent form approach does not involve the verification of any parental information not usually known to children.

Direct Notices/Consent Forms

Similarly, the FTC should allow credit unions and other operators to combine the direct notices required by the rule with an online, interactive parental consent web form under certain circumstances, such as if the direct notice/consent form includes a field that requires a parent to provide confirmatory identifying information about himself or herself that the credit union already has on file (and which a child under age 13 would be unlikely to know). Such information would be: the parent's Social Security number, account number, and/or driver's license number. This would reduce the rule's compliance burden on credit unions and make it easier for credit unions to engage in child financial literacy and savings promotion efforts, while also ensuring that the parent views the direct notice and is the person providing consent.

Model Disclosures

CUNA encourages the FTC to promulgate model COPPA disclosures that would operate as a compliance safe harbor if used by operators. Other federal regulations often include model forms and disclosures—see for example Regulation Z's model forms for open-end and closed-end credit products, 12 C.F.R. Part 226 Appendices G and H—and similar model forms would facilitate operator compliance with the COPPA rules.

Thank you for the opportunity to comment on the FTC's proposed revisions to the COPPA regulations. If you have questions about our comments, please feel free to contact SVP and Deputy General Counsel Mary Dunn or me at (202) 508-6705.

Sincerely,



Michael S. Edwards
Senior Assistant General Counsel