

December 16, 2011

Phyllis H. Marcus  
Division of Advertising Practices, Bureau of Consumer Protection  
Federal Trade Commission  
600 Pennsylvania Avenue, NW  
Washington, DC 20580

To Whom it May Concern:

The Georgia Credit Union League (GCUL) appreciates the opportunity to comment on the Federal Trade Commissions proposed rule changes affecting the Children's Online Privacy Protection Act. As a matter of background, GCUL is the state trade association and one member of the network of state leagues that make up the Credit Union National Association (CUNA). GCUL serves approximately 149 credit unions that have nearly 1.9 million members. This letter reflects the views of our Regulatory Response Committee, which has been appointed by the GCUL Board to provide input into proposed regulations such as this.

GCUL commends the Agency's efforts to protect children in the challenging electronic environment. Their access to information is endless. Parents are not as tech savvy as their children and in most cases do not know or understand the breadth of information available to their child. Georgia credit unions do serve a great number of children and seek to inform and provide them with knowledge that will serve them well in their years ahead as financial service users and borrowers. We have many child focused products, programs and teaching tools aimed at growing up future credit union members that are confident savers and benefactors of financial services.

The Commission proposes modifications to the Rule in five areas: definitions, including the definitions of "personal information" and "collection," parental notice, parental consent mechanisms, confidentiality and security of children's personal information, and the role of self-regulatory "safe harbor" programs. While we agree with much of the proposed, there are several areas of concern we would like to comment on.

Regarding parental consent, it would require credit unions to have a child's parent confirm that they consented to the credit union collecting their child's personal information by making a phone call to the credit union's toll-free number. Parents would also be able to confirm their identity by making a credit card transaction, by holding a brief videoconference with credit union personnel, by providing a government-issued form of identification to the credit union to prove the parent's identity, or by using a

consent form the parent returns to the credit union by postal mail, fax, or scanned copy. This particular change caused the most reaction from our credit unions due to the cost to implement the proposal where programming and staffing hours would be involved. It was mentioned during deliberation on the proposal that it may be easier to not offer online access to younger members which we believe is not the intent of the rule. We believe the intent is to protect minors, not to deter businesses from serving them. Credit unions are highly regulated when it comes to privacy of member information and feel the new rules will place additional regulatory constraints where many regulations already exist. For website operators that gather information to conduct internal business only and they do not share this information with third parties, perhaps the far reaching consent above is not necessary. An exemption to parental consent should be considered where parents already have a preexisting relationship with the financial institution.

The rule is very extensive and may be difficult to interpret and implement. It would be helpful if the act included sample notices that would include all of the outlined situations (similar to the new privacy notice that was put in place) and also provide specific guidance on record retention items and timeframes.

Where liability is concerned, if the site content is provided, even in part, by a 3<sup>rd</sup> party, is that content provider subject to penalties for failure of the site owner to comply with the regulation? This question has been presented to gain clarification of where liability lies because a website or online database often is a shared or is a pass through site from other sites.

GCUA supports 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.

GCUA appreciates the opportunity to present comments on behalf of Georgia's credit unions. Thank you for your consideration. If you have questions about our comments, please contact Cindy Connelly or me at (770) 476-9625.

Respectfully submitted,

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Georgia Credit Union League