

# SENATE BILL No. 1332

May 15, 2002, Introduced by Senators PETERS, BYRUM, DE BEAUSSAERT, YOUNG, KOIVISTO, MILLER and SMITH and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1980 PA 307, entitled  
"Savings and loan act of 1980,"  
(MCL 491.102 to 491.1202) by adding sections 533, 534, and 535.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1        SEC. 533. (1) AN ASSOCIATION SHALL USE REASONABLE CARE TO  
2 SECURE NONPUBLIC PERSONAL FINANCIAL INFORMATION FROM UNAUTHORIZED  
3 ACCESS. EXCEPT AS IS NECESSARY OR WHEN REQUIRED BY LAW, AN ASSO-  
4 CIATION SHALL NOT DISCLOSE NONPUBLIC PERSONAL FINANCIAL INFORMA-  
5 TION TO A PERSON WITHOUT THE PRIOR AND SPECIFIC INFORMED CONSENT  
6 OF THE INDIVIDUAL TO WHOM THE NONPUBLIC PERSONAL FINANCIAL INFOR-  
7 MATION PERTAINS. THE INDIVIDUAL'S CONSENT SHALL BE IN WRITING.  
8 EXCEPT WHEN A DISCLOSURE IS MADE TO THE COMMISSIONER OR ANOTHER  
9 GOVERNMENTAL AGENCY, A COURT, OR ANY OTHER GOVERNMENTAL ENTITY,  
10 AN ASSOCIATION SHALL MAKE A DISCLOSURE FOR WHICH PRIOR AND  
11 SPECIFIC INFORMED CONSENT IS NOT REQUIRED UPON THE CONDITION THAT

1 THE PERSON TO WHOM THE DISCLOSURE IS MADE PROTECT AND USE THE  
2 DISCLOSED INFORMATION ONLY IN THE MANNER AUTHORIZED BY THE ASSO-  
3 CIATION, UNDER SECTION 534. IF AN INDIVIDUAL HAS AUTHORIZED THE  
4 RELEASE OF NONPUBLIC PERSONAL FINANCIAL INFORMATION TO A SPECIFIC  
5 PERSON, AN ASSOCIATION SHALL MAKE A DISCLOSURE TO THAT PERSON  
6 UPON THE CONDITION THAT THE PERSON SHALL NOT RELEASE THE DATA TO  
7 A THIRD PERSON UNLESS THE INDIVIDUAL EXECUTES IN WRITING ANOTHER  
8 PRIOR AND SPECIFIC INFORMED CONSENT AUTHORIZING THE ADDITIONAL  
9 RELEASE.

10 (2) THIS SECTION DOES NOT PRECLUDE THE RELEASE OF INFORMA-  
11 TION TO AN INDIVIDUAL, PERTAINING TO THAT INDIVIDUAL, BY TELE-  
12 PHONE, IF THE IDENTITY OF THE INDIVIDUAL IS VERIFIED.

13 SEC. 534. THE ASSOCIATION SHALL ESTABLISH AND MAKE PUBLIC  
14 THE POLICY OF THE ASSOCIATION REGARDING THE PROTECTION OF PRIVACY  
15 AND THE CONFIDENTIALITY OF NONPUBLIC PERSONAL FINANCIAL  
16 INFORMATION. THE POLICY, AT A MINIMUM, SHALL DO ALL OF THE  
17 FOLLOWING:

18 (A) PROVIDE FOR THE ASSOCIATION'S IMPLEMENTATION OF PROVI-  
19 SIONS IN THIS ACT AND OTHER APPLICABLE LAWS AND GUIDELINES  
20 RESPECTING COLLECTION, SECURITY, USE, RELEASE OF, AND ACCESS TO  
21 NONPUBLIC PERSONAL FINANCIAL INFORMATION.

22 (B) IDENTIFY THE ROUTINE USES OF NONPUBLIC PERSONAL FINAN-  
23 CIAL INFORMATION BY THE ASSOCIATION; PRESCRIBE THE MEANS BY WHICH  
24 INDIVIDUALS WILL BE NOTIFIED REGARDING THOSE USES; AND PROVIDE  
25 FOR NOTIFICATION REGARDING THE ACTUAL RELEASE OF NONPUBLIC PER-  
26 SONAL FINANCIAL INFORMATION THAT MAY BE IDENTIFIED WITH, OR THAT  
27 MAY CONCERN, AN INDIVIDUAL, UPON SPECIFIC REQUEST BY THAT

1 INDIVIDUAL. AS USED IN THIS SUBDIVISION, "ROUTINE USE" MEANS THE  
2 ORDINARY USE OR RELEASE OF NONPUBLIC PERSONAL FINANCIAL INFORMA-  
3 TION COMPATIBLE WITH THE PURPOSE FOR WHICH THE INFORMATION WAS  
4 COLLECTED.

5 (C) ASSURE THAT NO PERSON SHALL HAVE ACCESS TO NONPUBLIC  
6 PERSONAL FINANCIAL INFORMATION EXCEPT ON THE BASIS OF A NEED TO  
7 KNOW.

8 (D) ESTABLISH THE CONTRACTUAL OR OTHER CONDITIONS UNDER  
9 WHICH NONPUBLIC PERSONAL FINANCIAL INFORMATION WILL BE RELEASED.

10 (E) PROVIDE THAT ENROLLMENT APPLICATIONS AND CLAIM FORMS  
11 DEVELOPED BY THE ASSOCIATION SHALL CONTAIN AN INDIVIDUAL'S CON-  
12 SENT TO THE RELEASE OF DATA AND INFORMATION THAT IS LIMITED TO  
13 THE DATA AND INFORMATION NECESSARY FOR THE PROPER REVIEW AND PAY-  
14 MENT OF CLAIMS, AND SHALL REASONABLY NOTIFY INDIVIDUALS OF THEIR  
15 RIGHTS UNDER THE ASSOCIATION'S POLICY AND APPLICABLE LAW.

16 SEC. 535. SECTIONS 533 AND 534 DO NOT LIMIT ACCESS TO  
17 RECORDS OR ENLARGE OR DIMINISH THE INVESTIGATIVE AND EXAMINATION  
18 POWERS OF GOVERNMENTAL AGENCIES, AS PROVIDED FOR BY LAW.