



## AGENCIES PROPOSE PRIVACY REGULATIONS

March 2, 2000

During the past year, the protection of consumers' financial information has been one of the most significant and controversial issues facing the financial services industry. In November 1999, Congress enacted a comprehensive series of privacy requirements as part of its financial modernization legislation, the Gramm-Leach-Bliley Act (15 U.S.C. § 6801 *et seq.*) (the "GLB Act" or the "Act").<sup>1</sup> The Act's privacy provisions have three primary purposes: (i) to require financial institutions to notify consumers of their privacy policies and practices; (ii) to describe the circumstances under which financial institutions may disclose nonpublic personal information about consumers to nonaffiliated third parties;<sup>2</sup> and (iii) to provide a method for consumers to opt out of such disclosures, subject to certain exceptions. The Act directs several federal agencies and other authorities to promulgate regulations implementing its provisions.

On February 22, 2000, the Board of Governors of the Federal Reserve System (the "Board"), Office of the Comptroller of the Currency (the "OCC"), Office of Thrift Supervision (the "OTS") and Federal Deposit Insurance Corporation (the "FDIC") published an interagency proposed rule (65 Fed. Reg. 8770 (Feb. 22, 2000)) (the "Proposed Rule" or the "Rule") implementing the privacy provisions of the GLB Act. The Federal Trade Commission (the "FTC") published a substantially similar proposal on March 1, 2000. 65 Fed. Reg. 11174 (Mar. 1, 2000). Comments on the Proposed Rule are due to the respective agencies on March 31, 2000.

The GLB Act's privacy provisions apply primarily to "financial institutions." Subject to certain exceptions, the privacy provisions define the term "financial institution" as any institution that engages in activities that are "financial in nature." **Thus, the Act's privacy provisions and the Proposed Rule apply to *all* residential mortgage lenders and servicers, regardless of whether they are depository institutions or affiliates of depository institutions.**

The GLB Act and the Proposed Rule will have a fundamental impact on the way that mortgage lenders and servicers handle consumers' nonpublic personal information. To comply with the new requirements, lenders and servicers will, among other matters, need to carefully analyze their existing and future third party information sharing practices to ensure that such practices are properly reflected in their privacy notices. Failure to do so could mean that new notices would be required before information could be shared. Lenders and servicers also will

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1 The primary purpose of the Act is to allow banks, securities firms and insurance companies to affiliate under a new "financial holding company" structure.

2 Under the Proposed Rule, a "nonaffiliated third party" is any person except (1) a financial institution's affiliate (as defined in the Rule); or (ii) a person employed jointly by a financial institution and any company that is not the financial institution's affiliate (but nonaffiliated third party



includes the other company that jointly employs the person).

need to establish procedures pursuant to which they can ensure that information relating to consumers who exercise their opt out rights is not disclosed to third parties, unless an exception applies. Furthermore, although the Act and Rule do not expressly limit the sharing of information among affiliates, financial institutions will need to accurately disclose their plans to share nonpublic personal information with affiliated entities.

The Act and Proposed Rule also will require financial institutions to ensure that their existing and future contracts with third party marketers and certain other service providers contain language requiring the third parties to maintain the confidentiality of the consumer information disclosed to them, and use such information solely for the purposes for which it was disclosed. Additionally, under the Proposed Rule, if a financial institution desires to share a consumer's nonpublic personal information *prior to* providing the consumer with notice and an opportunity to opt out, the institution will need to obtain an affirmative "opt-in" from the consumer. This requirement will arise in situations in which, for example, a lender desires to share information about a mortgage loan applicant to a third party hazard insurance provider.

Failure to comply with the Act and Rule will subject a financial institution to the full range of administrative sanctions — which can include cease and desist orders and civil penalties — available to the agency with jurisdiction over the institution.

The Proposed Rule is summarized below.

## I. Scope and Applicability of the Rule

Section \_\_.1(b)<sup>3</sup> of the Proposed Rule states that **the Rule applies only to nonpublic personal information about individuals who obtain financial products or services for personal, family or household purposes**; the Rule does not apply to information about companies, or individuals obtaining financial products or services for business purposes.

As discussed above, the GLB Act's privacy provisions and the Proposed Rule apply only to the disclosure of "**nonpublic personal information.**"

Sections \_\_.3(n), (o) and (p) of the Proposed Rule define the term nonpublic personal information, and present two alternatives<sup>4</sup> concerning the treatment of information that can be obtained from sources available to the general public.

Both alternatives define "**nonpublic personal information**" as:

- (i) Personally identifiable financial information (defined below); and

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<sup>3</sup> Because each Agency will assign a different Part number to the Proposed Rule (*e.g.*, the OCC's Proposed Rule will be set forth in Part 40, the Board's will be in Part 216, etc.), the citation references used herein are to Sections only, and the Part numbers are left blank.

<sup>4</sup> The Board's proposal contains only Alternative B.



- (ii) Any list, description or other grouping of consumers (and publicly available information (defined below) pertaining to them) that is derived using any personally identifiable financial information.

Under this definition, nonpublic personal information does *not* include any list, description, or other grouping of consumers (and publicly available information pertaining to them) that is derived *without* using any personally identifiable financial information.

Both alternatives define “**personally identifiable financial information**” as any information:

- (i) Provided by a consumer to a financial institution to obtain a financial product or service from the financial institution;
- (ii) Resulting from any transaction involving a financial product or service between a financial institution and a consumer; or
- (iii) The financial institution otherwise obtains about a consumer in connection with providing a financial product or service to that consumer (except, under Alternative A, publicly available information).

Note that under this definition, information **does not need to be intrinsically financial** to be deemed personally identifiable financial information.

Under both alternatives, personally identifiable financial information includes, for example:

- (A) Information a consumer provides to a financial institution on an application to obtain a loan, credit card, insurance or other financial product or service, including, among other things, medical information;
- (B) Account balance information, payment history, overdraft history, and credit or debit card purchase information;
- (C) The fact that an individual is or has been one of a financial institution’s customers or has obtained a financial product or service from the financial institution, unless that fact is derived using only publicly available information, such as government real estate records or bankruptcy records;
- (D) Other information about a financial institution’s consumer if it is disclosed in a manner that indicates the individual is or has been the financial institution’s consumer;



- (E) Any information provided by a consumer or otherwise obtained by the financial institution or its agent in connection with collecting on a loan or servicing a loan; and
- (F) Information from a consumer report.

Personally identifiable financial information does *not* include a list of names and addresses of customers of any entity that is not a financial institution.

Under Alternative A, “**publicly available information**” means any information that is lawfully made available to the general public *and is obtained* from:

- (i) Federal, State or local government records;
- (ii) Widely distributed media; or
- (iii) Disclosures to the general public that are required to be made by Federal, State or local law.

Under Alternative B, “**publicly available information**” means any information that is *lawfully made available to the general public* from the foregoing sources.

The two alternatives described above will produce the same results in many instances. For example, **under both alternatives, a list of a financial institution’s customers would be included in the definition of nonpublic personal information, and therefore be subject to the Rule’s notice and opt out requirements.**

Under Alternative A, however, for information to be deemed “publicly available,” and thus excludable from the definition of nonpublic personal information, it must be *obtained* by the financial institution from government records, widely distributed media or government-mandated disclosures. The fact that the information is available from those sources is immaterial if the institution does not actually obtain the information from one of them. Under Alternative B, information need only be *available* from a public source to be deemed “publicly available,” regardless of whether the institution actually obtains it from a public source (unless it is part of a list of consumers that is derived from using personally identifiable information). Thus, the two alternatives will produce different results in cases where a financial institution desires to share information available to the general public (such as a name or address) about an *individual* customer. Under Alternative A, that situation would require compliance with the Rule’s notice and opt out requirements, but under Alternative B, it would not.

## **II. Initial and Annual Notice Requirements**

### **A. Initial Privacy Notice To Consumers And Customers**

Section \_\_.4 of the Proposed Rule requires a financial institution to provide to both “consumers” and “customers” with a “clear and conspicuous” notice that “accurately reflects” the institution’s privacy policies and practices.



### 1. Consumers

Under Section \_\_.3(e) of the Rule, a “**consumer**” is **an individual who obtains or has obtained a financial product or service from the financial institution** that is to be used for personal, family or household purposes. Examples of consumers include individuals who apply to a financial institution for credit, regardless of whether the credit is extended, and individuals who seek to prequalify for a loan, regardless of whether a loan is extended.

With respect to **consumers**, the Rule provides that a financial institution must provide the **initial privacy notice prior to the time the institution discloses any nonpublic personal information about the consumer to any nonaffiliated third party** (other than as permitted under Sections \_\_.10 and \_\_.11).

### 2. Consumers

Under Section \_\_.3(h) of the Rule, a “**customer**” is a consumer who has “**a continuing relationship**” with a financial institution under which the institution provides the consumer with one or more financial products or services that are for personal, family or household purposes. Under the Rule, examples of customer relationships include situations in which a financial institution makes a loan, services a loan or owns the servicing rights to a loan.

With respect to **customers**, Section \_\_.4(a) (1) of the Proposed Rule states that a financial institution generally must provide the **initial privacy notice prior to the time the institution establishes a customer relationship**. The institution may, however, provide the initial notice within a reasonable time *after* it establishes a customer relationship if: (i) the institution purchases a loan from another financial institution and the customer did not have a choice about the purchase, or (ii) the institution and the consumer orally agree to enter into a customer relationship and the consumer agrees to receive the notice thereafter.

### 3. Delivery of Notice

Section \_\_.4(d) of the Proposed Rule states that a financial institution must provide the initial privacy notice “so that each consumer can reasonably be expected to receive actual notice in writing or, if the consumer agrees, in electronic form.” The Rule provides examples of when a financial institution may and may not “reasonably expect that a customer will receive actual notice.”

Additionally, for customers, the Rule states that a financial institution must provide the initial privacy notice so that it can be retained or obtained at a later time by the customer, in a written form or, if the customer agrees, in electronic form.

#### **B. Annual Notice To Customers**

Section \_\_.5 of the Proposed Rule provides that a financial institution must provide a clear and conspicuous notice to customers that accurately reflects the institution’s privacy policies and practices **not less than annually during the continuation of the customer relationship**.



The annual privacy notice must be provided using a means permitted for providing the initial privacy notice to the customer in accordance with Section \_\_.4(d).

**C. Content Of Initial And Annual Notice**

1. Generally

Section \_\_.6 of the Proposed Rule provides that both the initial and annual privacy notices required under Sections \_\_.4 and \_\_.5 must include the following:

- (i) The categories of nonpublic personal information about the financial institution's consumers that the institution collects;
- (ii) The categories of nonpublic personal information about the financial institution's consumers that the institution discloses;
- (iii) The categories of affiliates and nonaffiliated third parties to whom the institution discloses nonpublic personal information about consumers (other than those parties to whom it discloses information under Sections \_\_.10 and \_\_.11);
- (iv) The categories of nonpublic personal information about the financial institution's former customers that it discloses and the categories of affiliates and nonaffiliated third parties to whom the institution discloses information about its former customers (other than those parties to whom it discloses information under Sections \_\_.10 and \_\_.11);
- (v) If the institution discloses nonpublic personal information to a nonaffiliated third party under Section \_\_.9 [relating to service providers and joint marketing] (and no other exception applies to that disclosure), a separate description of the categories of information the institution discloses and the categories of third parties with whom the institution has contracted;
- (vi) An explanation of the right under Section \_\_.8(a) of the consumer to opt out of the disclosure of nonpublic personal information to nonaffiliated third parties, including the methods by which the consumer may exercise that right;
- (vii) Any disclosure required under Section 603(d)(2)(A)(iii) of the Fair Credit Reporting Act [relating to the ability to opt out of disclosures of information among affiliates]; and
- (viii) The financial institution's policies with respect to protecting the confidentiality, security and integrity of nonpublic personal information.



## 2. Disclosures To Third Parties Under Sections \_\_.10 And \_\_.11

Under Section \_\_.6(b) of the Proposed Rule, if a financial institution discloses nonpublic personal information about a consumer to third parties as authorized under Sections \_\_.10 and \_\_.11 of the Rule, the institution is *not* required to list those exceptions in the initial or annual privacy notices, but rather is required only to state that it makes disclosures to other nonaffiliated third parties as permitted by law.

## 3. Simplified Disclosures

Section \_\_.6(d)(4) of the Proposed Rule indicates that if a financial institution does not disclose, and does not intend to disclose, nonpublic personal information to affiliates or nonaffiliated third parties, the institution may simply state that fact in addition to providing the information required under Sections \_\_.6 (a)(1), (a)(8) and (b) of the Rule.

## 4. Future Disclosures

Section \_\_.6(c) of the Proposed Rule authorizes financial institutions to include in their privacy notices categories of **nonpublic personal information that the institution reserves the right to disclose in the future**, but does not currently disclose, and categories of affiliates or nonaffiliated third parties to whom the institution reserves the right in the future to disclose, but to whom the institution does not currently disclose, nonpublic personal information.

### III. **Limits on Disclosures to Nonaffiliated Third Parties**

#### A. **General**

Under Section \_\_.7(a)(1) of the Proposed Rule, unless otherwise permitted under the Rule, **a financial institution may not disclose any nonpublic personal information about a consumer to a nonaffiliated third party unless:**

- (i) The financial institution has provided to the consumer an **initial notice** as required under Section \_\_.4;
- (ii) The financial institution has provided to the consumer an **opt out notice** as required in Section \_\_.8;
- (iii) The financial institution has given the consumer a **reasonable opportunity** (*i.e.*, 30 days) before the time that the financial institution discloses the information to the nonaffiliated third party, **to opt out** of the disclosure; and
- (iv) The consumer **does not opt out**.



## **B. Form And Method Of Providing Opt Out**

### 1. Form Of Opt Out

Section \_\_.8(a) of the Proposed Rule states that a financial institution must provide a clear and conspicuous notice to each of its consumers that accurately explains the right to opt out under Section \_\_.7(a)(1). The notice must state:

- (i) That the financial institution discloses or reserves the right to disclose nonpublic personal information about its consumer to a nonaffiliated third party;
- (ii) That the consumer has the right to opt out of that disclosure; and
- (iii) A reasonable means by which the consumer may exercise the opt out right.

### 2. Change In Terms

Pursuant to Rule Section \_\_.8(c), except as otherwise authorized under the Proposed Rule, a financial institution must not disclose any nonpublic personal information about a consumer to a nonaffiliated third party other than as described in the initial notice that the financial institution provided to the consumer under Section \_\_.4, unless:

- (i) The financial institution has provided to the consumer a revised notice that accurately describes the financial institution's policies and practices;
- (ii) The financial institution has provided to the consumer a new opt out notice;
- (iii) The financial institution has given the consumer a reasonable opportunity, before the time that the financial institution discloses the information to the nonaffiliated third party, to opt out of the disclosure; and
- (iv) The consumer does not opt out.

### 3. Duration Of Opt Out

Under the Proposed Rule, **a consumer may exercise the right to opt out at any time**, and the financial institution receiving the opt out direction must comply with that direction as soon as reasonably practicable. **A consumer's direction to opt out under Rule Section \_\_.8 is effective until revoked** by the consumer in writing, or if the consumer agrees, in electronic form.



### C. Exceptions To Notice And Opt Out Requirements

The Proposed Rule contains three series of **exceptions to its notice and opt out requirements**.

1. Exception To Opt Out Requirements For Service Providers And Joint Marketing

Proposed Rule Section \_\_.9(a) provides that the opt out requirements in Rule Sections \_\_.7 and \_\_.8 do not apply when a financial institution provides nonpublic personal information about a consumer to a nonaffiliated third party to perform services for the financial institution or functions on the financial institution’s behalf, provided that the institution:

- (a) Provides the initial notice in accordance with Proposed Rule Section \_\_.4; and
- (b) Enters into a contractual agreement with the third party that:
  - (i) Requires the third party to maintain the confidentiality of the information to at least the same extent that the financial institution must maintain that confidentiality under the Rule; and
  - (ii) Limits the third party’s use of information the financial institution discloses solely to the purposes for which the information is disclosed, or as otherwise permitted by the exceptions in Rule Sections \_\_.10 and \_\_.11.

Section \_\_.9(b) of the Rule provides that the services performed for a financial institution by a nonaffiliated third party under Section \_\_.9(a) may include marketing of the financial institution’s own products or services or marketing of financial products or services offered pursuant to “joint agreements” between the financial institution and one or more financial institutions.

2. Exceptions To Notice And Opt Out Requirements For Processing And Servicing Transactions

Proposed Rule Section \_\_.10 provides that the initial notice requirement<sup>5</sup> in Rule Section \_\_.4(a)(2), the opt out in Sections \_\_.7 and \_\_.8, and the service providers and joint marketing requirements in Rule Section \_\_.9 do not apply if the financial institution discloses nonpublic personal information:

- (i) As “necessary to effect, administer, or enforce a transaction” requested or authorized by the consumer;

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<sup>5</sup> Note that this exception does *not* apply to the annual notice requirement under Rule Section \_\_.5.



- (ii) To service or process a financial product or service requested or authorized by the consumer;
- (iii) To maintain or service the consumer's account with the financial institution, or with another entity as part of a private label credit card program or other extension of credit on behalf of such entity; or
- (iv) In connection with a proposed or actual securitization, secondary market sale (including sales of servicing rights) or similar transaction related to a transaction of the consumer.

3. Other Exceptions To Notice And Opt Out Requirements

Pursuant to Rule Section \_\_.11, the initial notice requirement<sup>6</sup> in Rule Section \_\_.4(a)(2), the opt out in Sections \_\_.7 and \_\_.8, and the service providers and joint marketing requirements in Rule Section \_\_.9 do not apply when the financial institution discloses nonpublic personal information:

- (1) With the consent or at the direction of the consumer, provided that the consumer has not revoked the consent or direction;
- (2)
  - (i) To protect the confidentiality or security of the financial institution's records pertaining to the consumer, service, product or transaction;
  - (ii) To protect against or prevent actual or potential fraud, unauthorized transactions, claims or other liability;
  - (iii) For required institutional risk control or for resolving consumer disputes or inquiries;
  - (iv) To persons holding a legal or beneficial interest relating to the consumer; or
  - (v) To persons acting in a fiduciary or representative capacity on behalf of the consumer;
- (3) To provide information to insurance rate advisory organizations, guaranty funds or agencies, agencies that are rating the financial institution, persons that are assessing the financial institution's compliance with industry standards, and the financial institution's attorneys, accountants and auditors;

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Note that this exception does *not* apply to the annual notice requirement under Rule Section \_\_.5.



- (4) To the extent specifically permitted or required under other provisions of law and in accordance with the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401 *et seq.*), to law enforcement agencies (including government regulators), self-regulatory organizations, or for an investigation on a matter related to public safety;
- (5)
  - (i) To a consumer reporting agency in accordance with the Fair Credit Reporting Act (15 U.S.C. 1681 *et seq.*), or
  - (ii) From a consumer report reported by a consumer reporting agency;
- (6) In connection with a proposed or actual sale, merger, transfer, or exchange of all or a portion of a business or operating unit if the disclosure of nonpublic personal information concerns solely consumers of such business or unit; or
- (7)
  - (i) To comply with Federal, State or local laws, rules and other applicable legal requirements;
  - (ii) To comply with a properly authorized civil, criminal or regulatory investigation, or subpoena or summons by Federal, State or local authorities; or
  - (iii) To respond to judicial process or government regulatory authorities having jurisdiction over the financial institution for examination, compliance or other purposes as authorized by law.

#### IV. Limits on Redisclosure and Reuse of Information

Section \_\_.12 of the Proposed Rule states that except as otherwise provided in the Rule, if a financial institution receives nonpublic personal information about a consumer from a nonaffiliated financial institution, the recipient financial institution must not disclose the information to any other person that is not affiliated with either the recipient financial institution or the originating financial institution, unless the disclosure would be lawful if the originating financial institution made it directly to such other person.

Section \_\_.12 further indicates that if a financial institution receives nonpublic personal information about a consumer from a nonaffiliated financial institution in accordance with an exception under Rule Section \_\_.9, \_\_.10, or \_\_.11, the recipient financial institution may use such information only for the purpose of that exception.

Additionally, Section \_\_.12 states that except as otherwise provided in the Rule, if a financial institution discloses nonpublic personal information about a consumer to a nonaffiliated third party, that third party must not disclose the information to any other person that is a nonaffiliated third



party of both the originating financial institution and that third party, unless the disclosure would be lawful if the originating financial institution made it directly to such other person.

Finally, Section \_\_.12 provides that if a nonaffiliated third party receives nonpublic personal information about a consumer from a financial institution in accordance with an exception under Rule Section \_\_.9, \_\_.10, or \_\_.11, the third party may use such information only for the purpose of that exception.

## **V. Prohibition of Sharing Account Number Information for Marketing**

Section \_\_.13 of the Proposed Rule **prohibits financial institutions from disclosing** (other than to a consumer reporting agency) **a consumer's account number** or similar form of access number or access code for a credit card account, deposit account or transaction account, to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to the consumer.

## **VI. Other Provisions**

### **A. Protection Of The FCRA**

Section \_\_.14 indicates that the Proposed Rule shall not be construed to modify, limit or supersede the operation of the Fair Credit Reporting Act ("FCRA"), and that no inference shall be drawn on the basis of the Rule regarding whether information is "transaction or experience" information under Section 603 of the FCRA.

Thus, even though the Act and Rule will not limit information sharing among affiliates, the FCRA will continue to require financial institutions to provide consumers with a notice and opportunity to opt out before sharing with their affiliates information *other than* transaction or experience information. Similarly, even though the FCRA does not prohibit financial institutions from sharing transaction and experience information with third parties, the Act and Rule will require institutions to provide consumers with notice and an opportunity to opt out in such instances.

### **B. Preemption Of State Law**

Section \_\_.15, which is substantially identical to Section 507 of the Act, indicates that the Rule **does not preempt state law** unless it is inconsistent with the Rule. A state law is *not* inconsistent with the Rule if it provides greater protection than the GLB Act, as determined by the FTC in consultation with the applicable Agency, either on the FTC's own motion or petition of any interested party. Several states already have proposed privacy legislation that appears "more protective" than the Act. Financial institutions therefore will need to closely monitor state privacy initiatives and be prepared to comply with more stringent requirements.



### C. Effective Date; Transition Issues

The Proposed Rule, when finalized, will be **effective November 13, 2000**. A financial institution must provide an initial notice, as required by Rule Section \_\_.4, to consumers who were the financial institution's customers on the effective date of the Rule, no later than 30 days after the Rule's effective date. To avoid an interruption of their information-sharing practices, financial institutions should consider delivering their initial privacy and opt out notices no later than 30 days *before* the Rule's effective date.

### D. Jurisdiction

The Act directs the federal banking agencies, National Credit Union Administration, Securities and Exchange Commission and FTC to issue and enforce regulations implementing the Act's privacy provisions in connection with the institutions subject to their respective jurisdiction. For mortgage lenders and servicers, the regulations will be issued and enforced by:

- the OCC, in the case of national banks and their mortgage company subsidiaries;
- the Board, in the case of state-chartered member banks of the Federal Reserve System, and bank holding companies and their nonbank mortgage company subsidiaries and affiliates;
- the FDIC, in the case of state-chartered, FDIC-insured banks that are not members of the Federal Reserve System and their mortgage company subsidiaries;
- the OTS, in the case of FDIC-insured savings associations and their mortgage company subsidiaries; and
- the FTC, in the case of any mortgage lender, broker or servicer not subject to the jurisdiction of any other agency or authority. The FTC has indicated that its Rule also may apply to entities such as personal property appraisers, real estate appraisers, digital signature services, courier services, and computer hardware and software manufacturers.



## **E. Penalties**

Neither the Act nor the Rule expressly sets forth penalties for violations of their respective provisions. The Act states, however, that both the Act and the Rule shall be enforced under: (i) Section 8 of the Federal Deposit Insurance Act, in the case of entities subject to the jurisdiction of the OCC, Board, FDIC and OTS, and (ii) the Federal Trade Commission Act, in the case of any entity not subject to the jurisdiction of any other agency or authority. Penalties under Section 8 of the Federal Deposit Insurance Act include **cease and desist orders and civil money penalties**. Penalties under the Federal Trade Commission Act include **cease and desist orders** and civil money penalties for violations of such orders.

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This memorandum is for informational purposes only. Nothing herein is intended or should be construed as legal advice or a legal opinion applicable to any particular set of facts or to any individual's or entity's general or specific circumstances.

If you have any questions about the Proposed Rule, or would like us to assist you with preparing comments for the agencies, please give us a call.

**MORTGAGE BANKING/CONSUMER FINANCE GROUP**

Kirkpatrick & Lockhart LLP practices law both nationally and internationally from offices in Boston, Harrisburg, Los Angeles, Miami, New York, Pittsburgh and Washington. Founded in 1946, the firm is one of the thirty-five largest law firms in the country, with over 550 attorneys. Kirkpatrick & Lockhart LLP represents a broad range of clients in a wide variety of matters, including corporate and securities, e-commerce, investment management, insurance coverage, financial institutions, mortgage banking and consumer finance, creditors rights, intellectual property, tax, labor, environmental, antitrust, health care and government contracts. You can learn more about our firm by visiting our Internet website at <http://www.kl.com>.

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The Mortgage Banking/Consumer Finance Group provides legal advice and licensing services to the consumer lending industry. It provides legal advice on all aspects of the origination, processing, underwriting, closing, funding, insuring, selling and servicing of residential mortgage loans and consumer loans, from both a transactional and regulatory compliance perspective. Our focus includes both first- and subordinate-lien, residential mortgage loans, as well as open-end home equity, property improvement loans and other forms of consumer loans. We also have substantial experience in multi-family and commercial mortgage loans. Our clients include mortgage companies, depository institutions, consumer finance companies, investment bankers, insurance companies, real estate agencies, home builders, and venture capital funds. Members of the Mortgage Banking/Consumer Finance Group and their telephone numbers and e-mail addresses are listed below:

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