

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 8541
March 22, 1979

WITHDRAWAL OF PROPOSED STATEMENT OF CUSTOMER RIGHTS
UNDER THE RIGHT TO FINANCIAL PRIVACY ACT OF 1978

*To All Member Banks, and Others Concerned,
in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has withdrawn its proposed Statement of Customer Rights under the Right to Financial Privacy Act of 1978. The text of the proposed statement was contained in our Circular No. 8510, dated February 1, 1979. Following is the text of a statement issued by the Board of Governors announcing the withdrawal:

The Federal Reserve Board today [March 8] withdrew a proposed Statement of Customer Rights under the Right to Financial Privacy Act of 1978.

The Board acted after Congress on March 7 repealed a section of the Act which would have required financial institutions to notify their customers of privacy rights.

The Act continues to require Federal agencies to notify customers about rights in certain circumstances, and the Board said repeal of the section "does not appear to impair protections that the new law gives to customers."

Printed below is the text of the official notice regarding the withdrawal of the proposed statement:

**Notice of Withdrawal of Proposed Statement
of Customer Rights Under the Financial Privacy Act**

AGENCY: The Board of Governors of the Federal Reserve System.

ACTION: Withdrawal of Proposed Statement of Customer Rights under the "Right to Financial Privacy Act of 1978."

SUMMARY: By act of Congress, approved March 7, 1979, section 1104(d) of Public Law 95-630, the "Right to Financial Privacy of 1978," has been repealed.

Accordingly, on behalf of the Board of Governors, I hereby withdraw the Board's Proposed Statement setting forth customers' financial privacy rights, published for comment on February 2, 1979 (44 Fed. Reg. 6770.)

As a consequence of the repeal of section 1104(d), the Act no longer requires the Board to prepare a general statement of customer rights, and no longer requires financial institutions to notify their customers of these rights under the new law.

The Act continues to require Federal agencies to notify customers about certain rights under the financial privacy law in ten different instances. Thus, repeal of the section 1104(d) requirements does not appear to impair protections that the new law gives to customers of financial institutions.

Theodore E. Allison
Secretary of the Board

Questions on this matter may be directed to our Consumer Affairs Division (Tel. No. 212-791-5919).

PAUL A. VOLCKER,
President.