



May 14, 2024

FTC AMENDMENT TO SAFEGUARDS RULE NOW EFFECTIVE

As of Monday May 13, 2024, the Federal Trade Commission's recent amendments to the Safeguards Rule are effective.

The new amendments to the Safeguards Rule require a financial institution to submit a notice to the FTC of any unauthorized acquisition of *unencrypted* customer data, referred to as a "notification event," that involves 500 or more customers. The FTC will require a financial institution to submit the following information in the electronic form located on the FTC's website within 30 days of discovery of the notification event:

- (1) The name and contact information of the reporting financial institution;
- (2) A description of the type(s) of non-public personal information involved in the notification event;
- (3) The date or date range of the notification event, if available;
- (4) The number of consumers affected;
- (5) A general description of the notification event; and
- (6) Information regarding any law enforcement involvement in the notification event (specifically, whether a law enforcement official has determined public disclosure of the breach would interfere with a criminal investigation or cause a threat to national security).

The Rule contains a broad definition of the term "financial institution" that includes mortgage lenders, payday lenders, finance companies, mortgage brokers, account servicers, check cashers, wire transferors and collection agencies.

Over the last few years we have reported on several amendments to the Safeguards Rule. See, e.g. our Alerts dated [Oct. 20, 2023](#), [Oct. 5, 2022](#) and [Nov. 17, 2021](#).

Financial institutions should periodically review cybersecurity programs for compliance with the Safeguards Rule and other state privacy and security laws. If you have any questions regarding compliance with the Safeguards Rule or other privacy and security laws, please do not hesitate to contact us.

✧ *Elizabeth Anstaett and Mercedes Ramsey*

LOOKING FOR A MARKETING AND PRIVACY COMPLIANCE RESOURCE? We publish an easy-to-use reference, our **MARKETING AND PRIVACY DIGEST**, that compiles the state laws governing financial privacy, fair credit reporting, telemarketing/automatic dialing and announcing devices, telephone monitoring and recording, electronic signatures and restrictions on the use of social security numbers by financial service providers. Creditors, marketers and servicers should find this resource invaluable to marketing and privacy program development and regulatory compliance. **Contact us for details.**

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