

POLICY 6

Privacy

I. PURPOSE

This Privacy Policy of Education First Credit Union, hereafter referred to as the "Credit Union," sets forth rules governing the Credit Union's compliance with the Federal Law adopted and known as the **Gramm-Leach-Bliley Privacy Act** (hereafter referred to as "**Privacy Act**"). This policy addresses what member's **non-public, personal financial information** (hereafter referred to as "**NPI**") the Credit Union gathers and discloses to third parties, and under what circumstances it allowed to so. This policy also addresses how the Credit Union will provide notices to all members disclosing this policy and the timetables that the Credit Union must adhere to. This policy will also address the sharing practices of NPI and when it is necessary to provide an "**opt-out**" option to its members.

II. POLICIES

A. General Information

1. Vendor/Category/Exemption lists.
 - a. These lists shall show as attachments or "Part" lists (e.g., Part A, Part B) and are for internal use only and shall not be made public in the Privacy Notices.
 - b. These companies are non-affiliated third parties (hereafter referred to as NA3P) that the Credit Union may work with to provide services, retail opportunities, or joint-marketing ventures.
 - c. In addition, this policy shall set forth provisions to insure that any third-party that the Credit Union does disclose information to, will only use that information as the Credit Union sees fit and specifically directs (this will fall under "Third Party Contracts").

B. Personally Identifiable Financial Information (hereafter referred to as NPI).

1. The NPI means:
 - a. Any information a consumer provides to the Credit Union in order to obtain a financial products or services from the Credit Union;
 - b. Information about a consumer resulting from any transaction involving a financial product or service between you and a consumer; or
 - c. Information otherwise obtained about a consumer in connection with providing a financial product or service to that consumer.

C. Information that is **NOT** personally identifiable.

1. This financial information may be
 - a. A list of names and addresses of customers of any entity that is not a financial institution;
 - b. Information that does not identify a consumer, or
 - c. Such aggregate information or blind data that does not contain personal identifiers such as account numbers, names, or addresses.

D. Initial Privacy Notice Requirements:

1. **Existing Membership as of July 1, 2001.** An initial privacy notice was provided by July 1, 2001 to all existing members. Separate mailings are not required and may be mailed with the I.R.S. 1099 Form mailing or with the quarterly statements (March 2001).
2. **New membership after July 1, 2001.** A privacy notice will be given when the person becomes a member of the Credit Union.
3. The notice must be reasonably understandable and designed to call attention to the nature and significance of the information in the notice [**Section 716.3(b)**]. The notice may be combined with other information such as a newsletter, provided it is distinct in type size, style, and graphics, from the any other contents of the newsletter.
4. **The notices must:**
 - a. Be in a written form that can be retained by the person receiving it [**Section 716.9**].
 - b. Be mailed to the last known address, and **may not** be in a general advertisement or posted in the Credit Union lobby.
 - c. Generally contain the Credit Union's privacy policies and practices.
 - d. Conditions under which the Credit Union may disclose **NPI** to **NA3P**; and

- e. The procedure required for the person to “opt-out” of information sharing in certain circumstances.
 - f. Contain the categories of NPI the Credit Union collects, listed as such shall suffice:
 - 1) Information from the member
 - 2) Information about the member’s transactions with the Credit Union or its affiliates.
 - 3) Information about the consumer’s transactions with nonaffiliated third parties.
 - 4) Information from a consumer-reporting agency.
 - g. Contain the categories of NPI information that the Credit Union discloses:
 - 1) The disclosure will be adequate if the Credit Union categorizes the information according to source and provides some examples; or,
 - 2) If the Credit Union wants to reserve the right to disclose all the information it collects, the Credit Union can state that fact without any categories or examples, but may use the clause, **“Disclosures are made to other NA3P as permitted by law.”**
 - h. The categories of affiliates and NA3P to whom the Credit Union discloses information (unless exempted). The Credit Union will determine who receives member and non-member NPI. The regulation allows the Credit Union to categorize these as follows:
 - 1) Financial service providers (mortgage bankers, securities broker-dealers, insurance agents).
 - 2) Non-financial providers (retailers, direct marketers, airlines, publishers); and
 - 3) Others (non-profit organizations).
 - i. The categories of NPI about former members the Credit Union discloses and to whom (unless exempted).
 - j. The categories of the types of the types of information disclosed to third-party servicers and financial institutions that the Credit Union has joint marketing agreements.
 - k. An explanation of the member’s right to “opt-out” and how to exercise that right (if applicable).
 - l. The application of the “opt-out” rights under the **Fair Credit Reporting Act** (if applicable).
 - 1) Notices regarding the member’s ability to “opt-out” of disclosures of information among affiliates that is currently required by the FCRA.
 - m. The Credit Union’s policies and practices with respect to protecting the confidentiality and security of NPI.
 - 1) The regulation allows a general statement about who has access to the information and whether the Credit Union has security practices in place to protect this personal information.
 - n. The required language for disclosures made that is exempt.
 - 1) The Credit Union may simply state only that disclosures are **“made to other NA3P as permitted by law.”**
5. The notice must be provided to the following persons:
- a. Natural person members
 - b. Joint Account Holders, Co-borrowers and Guarantors.
 - 1) No separate privacy notice or “opt-out” notices are required for these persons, unless these persons have a different address from the primary member.
 - 2) No annual privacy notice update need be sent after the initial to these persons.
6. The Credit Union will never share information from consumer non-members using the Credit Union’s ATM machines, and therefore, need not send a notice to these persons.

E. The Annual Privacy Notice:

- 1. The Credit Union will provide privacy notices annually after the initial notices are given. The first annual notice will be provided in the later part of the year 2002 and thereafter once every 12 months within the first quarter of the calendar year.
- 2. The Credit Union may stop providing annual notices when a person is no longer a member or when a member has requested that no member information be mailed, but the privacy notice shall remain available upon request.
- 3. Should revisions or amendments be made to this **“Policy 6: Privacy”** that would change any essential language in the previous disclosures, before the next disclosure is made; a revised disclosure will be drafted, printed, and distributed as soon as possible.
- 4. If the revision or amendment does not change the language of the initial disclosure (such as the adding or deleting a vendor name from “Part A” (below) to this **“Policy 6: Privacy,”** no extra mailing will be necessary.

F. Third Party Contracts:

- 1. Contracts entered into, prior to July 1, 2000, will be considered in compliance with the regulation until July 1, 2002 (even for contracts without a confidentiality clause).
- 2. Prior to July 1, 2002, these contracts with these third parties must be amended regarding NPI to include provisions requiring confidentiality and forbidding the reuse by the third party of the information for anything other than what is provided in the contract.
- 3. All valid contracts entered into by the EFCU after July 1, 2000 must contain a confidentiality clause.

G. Exemptions:

1. If the information the Credit Union shares does not fit the definition of NPI as stated above, ***it is not covered and therefore can be shared.***
2. If the information is NPI, then there are six situations which the Credit Union may share the information, with some limitations and disclosure (notice) requirements. The six categories are as follows:
 - a. Information sharing with affiliates (generally CUSOs). Please note: this does not apply to the Credit Union at this time (April 2008).
3. Information sharing with NA3P for purposes of processing and servicing transactions **[Section 716.4 Privacy Act]**. Examples of third parties that fall under this exception may include: Data Processors; Mortgage Servicers; IRA Service Suppliers; Check Printer; Collections Companies; Collateral Protection Insurers; Statement Mailers.
 - a. The Credit Union does not list these parties or their general services on its Initial Privacy Notice; only that it makes “disclosures to other NA3P as permitted by law”. **[Section 716(b)]**
 - b. No “opt-out” option is required.
 - c. Sharing of account numbers is allowed.
4. Information sharing with non-affiliated third party (hereafter referred to as NA3P) financial institutions with which the Credit Union has a joint marketing agreement. **[Section 716.13]**. A joint marketing agreement means a written contract that the Credit Union has with another financial institution where the parties jointly offer, endorse, or sponsor a financial product or service. Examples are: Insurance companies, Securities dealers or brokers. For these parties:
 - a. The Credit Union must separately disclose the general lines of business (i.e., insurance company, etc.).
 - b. The Credit Union does not have to provide the “opt-out” option for the member whose information is being shared.
 - c. The Credit Union cannot share account numbers with these third parties (although, encrypted numbers without the decoding key may be provided).
 - d. See “**K, Part A: Non-affiliated Third Party Vendor List.**”
5. Information sharing with NA3P that perform services or functions on the Credit Union’s behalf (i.e., collection agencies, credit card service providers). **[Section 716.13(a)]**. There must be a formal agreement requiring confidentiality and forbidding reuse of the information by the third party (see “**F: Third Party Contracts**”). For these parties:
 - a. The Credit Union must separately disclose the general lines of business.
 - b. The Credit Union does not have to provide the “opt-out” option for the person whose information is being shared.
 - c. The Credit Union may provide account numbers to its agent or service provider, provided the agent or service provider cannot directly initiate charges to the account.
 - d. A service provider may disclose or use NPI for processing transactions.
6. Information sharing with NA3P listed in the regulation as additional exceptions to the detailed notice and “opt-out” requirements. **[Section 716.15]**. These exceptions may include:
 - 1) With the member’s consent (such as payroll deductions);
 - 2) to protect the confidentiality of the Credit Union’s records;
 - 3) to protect against fraud;
 - 4) to provide information to organizations involved in rating or accessing standards;
 - 5) to attorneys, accountants, and auditors, and to the extent permitted by law, to enforcement agencies and other official bodies;
 - 6) to and from consumer reporting agencies (i.e., credit bureaus);
 - 7) to accomplish the sale or merger of the Credit Union, its operating unit, or a portion of its business.

For these parties:

 - a. The Credit Union does not have to list them or their general services on its disclosures (notices). The Credit Union need only state it makes “***disclosures to NA3P as permitted by law.***” **[Section 716.6(b)]**
 - b. No “opt-out” option is required.
 - c. Sharing account numbers is allowed.
7. Information sharing with NA3P that does not fall within any of the other exceptions. Before information may be shared with these third parties, the Credit Union must provide full disclosure and the opportunity for the member to opt-out of the information sharing.

H. The “Opt-Out” Notice:

1. The following information pertains where opting-out is applicable.
 - a. If the Credit Union shares NPI with a NA3P, either directly or indirectly, and such disclosures are not exempted, the Credit Union must provide a clear and conspicuous notice that enables its members to opt-out of having their NPI share with NA3P. The notice must provide a reasonable time (30 days is standard) and means by which members may exercise the right to opt-out **[Sections 716.7(a) and 716.10(a)]**.
 - 1) Examples of reasonable means may include:

- a) Designating a check-off box on the notice;
 - b) Providing an electronic means if the member agrees to electronic delivery of the notice; including a reply form with the notice;
 - c) Providing a toll-free number the member can call.
2. The initial or annual notice must accompany the “opt-out” form.
 3. The Credit Union must identify **[Section 716.7(a)(2)]**:
 - a. The categories of NPI it discloses or reserves the right to disclose;
 - b. The financial products and/or services the member obtains to which the opt-out would apply.
 4. The Credit Union must comply with the member’s “opt-out” directions “as soon as reasonably practicable” upon receipt of the “opt-out” notice.
 5. The member may exercise the right to “opt-out” at any time, and the “opt-out” directions remains in effect until revoked in writing by the member.
 6. If a joint-member chooses or directs to opt-out, the Credit Union must also “opt-out” the Primary, with notice. **[Section 716.7(d)]**

I. STAFF TRAINING

1. All staff shall be trained and versed in these practices and terms.

J. Privacy and Security Officers

1. The following individual(s) has/have been appointed to serve as Privacy and Security Officer(s):
 - a. Brent Masserant
 - b. John Zemmin

K. PART A

1. Non-affiliated Third Party Vendor List:

Data Processor (E2)	Member Driven Technologies and Symitar
Information Technologies Service Company (E2).....	Innovative Network Solutions
ATM Network Provider (E2)	Co-op Services Corporation
Check Printer (E2)	Liberty
Mortgage Form Services (E2).....	DPS
IRS (1099) (E2).....	Member Driven Technologies
State Government (E5)	Data matching-State of MI (Tier Technologies)
Outside Mailer, Statements (E2)	DataMail
Outside Mailer, Visa Bills (E2)	FIS (Certegy)
Outside Mailer for non-CU Marketing materials (E3)	CUNA, AAA, Citizens & Meemic
Credit Life Insurance company (E3).....	CUNA
Credit Disability Insurance Company (E3).....	CUNA
AD&D insurance company (E3).....	CUNA
Forced placement insurance company (E3).....	Support Insurance Services
Data-Sort company for Market Analysis	none
Whole-owned CUSO, offering trust services	none
Part-owned CUSO, offering income tax prep svcs	none
Collection Agency (E4).....	Integrun
Accounting Firm (E5).....	Schimdt & Associates, Inc., CPA
Credit Card Processor (E4).....	FIS (Certegy)
Securities Firm (Broker-Dealer)	none
Credit Bureau (E5).....	Experian (report to)
Sponsor (Payroll Deduction)	none
Frequent User Program (to gain points)	none
Secondary Student Loan Market Program (E2)	Great Lakes Educational Loan Services
Shared Branch Network (E3).....	Family Service Center Corp.
Reporting Services for Closed Accounts	none
Corporate CU (ACH Services) (E2).....	Cencorp
Travel Agency	none
Auto Sales Promo Company	Members Services (Private Auto Sale)

Note: Exceptions are note by “(E#).” The # refers to the enumerations listed in the “Exemption” section of this Privacy Policy.

Example of Initial Privacy Notice to be distributed:

Education First Credit Union • Initial Privacy Notice

You have chosen to become a member of Education First Credit Union and that relationship is important to us. As such, we take great care in guarding the information you have chosen to share with us. Our staff and management team are proud of the standards that we follow to make sure that all of your non-public personal information is protected.

Our Credit Union works with non-affiliated third parties, so we may offer you access to a broad range of financial products and services. It is necessary during the course of business that we maintain information about you in order to provide those services. We want you to understand what type of information we collect, how it is used to better serve you, and what we do to protect it.

This notice is the initial Privacy Notice and we will report to you annually after this to keep you updated on what we are doing to collect, use, and protect your non-public personal information.

What Information We Collect

Non-public personal information is personally identifiable information about you that we obtain when you become a member, purchase product or obtain services through the Credit Union. Examples of this type of information are your name, address, account or Social Security number, account balance, income, assets, insurance information, payment history, or overdraft history.

We may obtain this information directly from you, such as on an application, or through your transactions with the Credit Union. Other information might be obtained from others, such as credit bureaus, real estate appraisers, or employers.

Our Security Procedures

We will only make disclosures of your non-public personal information to affiliates as permitted by law. The Credit Union restricts access to your personal and account information to persons and employees that need to know this information to process a transaction or provide a product or service. We, and all of the service providers that we use, maintain procedural, electrical, and physical safeguards to protect you and your information.

What We Disclose and To Whom

We do not disclose information about your personal and/or account information to non-affiliated third parties, except as permitted by law and in compliance with the Gramm-Leach Bliley Act of 1999. And your confidential information remains so even if you decide not to use your account for any period, or need to close your account with us.

When it is necessary to share information with third parties to provide you with a product or service, such as a home mortgage or credit card, we will only disclose what is absolutely necessary and only that which is permitted by law.

There are many third parties that work "behind the scenes" to make daily operations run smoothly. At no time will it be necessary for you to have to choose to provide information for these types of third parties. For example, the check printer, statement mailers, or credit card billers. But there are times when the Credit Union likes to broaden our scope, so to speak and, enter into joint marketing agreements in combination with many other credit unions, or other third parties to offer you a product or service that would not normally be available. The type of third parties that may be included under that umbrella would be insurance providers, consumer products discounters, or auto sales promotions companies. These third parties must agree to strict confidentiality provisions to guarantee the protection of your personal information.

Should you choose not to have access to these joint marketing offerings, you may opt out by writing to us at: **Education First Credit Union, Attn: Member Privacy, 14170 Pennsylvania Road, Southgate, MI 48195**. Please provide your name, address, Social Security and account numbers. If you are a joint account holder making this request, please contact the primary member to make this request and to include your name on it.

Fair Credit Reporting Act Disclosure

Under the **Fair Credit Reporting Act**, you may direct us not to share certain credit information with our third party vendors. Examples of the kinds of credit information that you may direct us not to share includes the personal non-public information you provide in your application or that we obtain about you from non-affiliated third parties, such as credit bureaus. You may write to us at:

**Education First Credit Union,
Attn: Member Privacy
14170 Pennsylvania Road
Southgate, Michigan 48195**

Please provide your name, address, Social Security and account numbers. If you are a joint account holder making this request, please contact the primary member to make this request and to include your name on it. Your request not to share information does not include information that we are permitted by law to share under the daily work scope.

Approved: 3/25/2009