

## FAQ for Reynolds and Reynolds Customers Regarding the FTC Safeguards Rule under the Gramm-Leach-Bliley Law

This statement includes our representations and opinions and is not intended as legal advice.

### ***Q: What is the Safeguards Rule about?***

*Background: Provisions of the Gramm-Leach Bliley Act (“GLB”) required the Federal Trade Commission (“FTC”) to create and enforce the Privacy of Consumer Financial Information Rule (the “Privacy Rule”). The Privacy Rule went into effect July 1, 2001. The Privacy Rule includes the requirement to provide customers with privacy notices and the ability to opt out of certain information-sharing.*

*Safeguards Rule: Based on the GLB provisions, the FTC created the Standards for Safeguarding Customer Information Rule (the “Safeguarding Rule”), effective May 23, 2003. The Safeguards Rule includes requirements that dealers appoint personnel to oversee compliance, develop and document a compliance program, assess risks, select appropriate service-providers, and evaluate and respond to all these measures.*

### ***Q: Is Reynolds making a contractual commitment to safeguards under the service-provider provisions of the Rule?***

Yes. If your agreement with Reynolds is through the Master Agreement, go to [My ReyRey](#).

If your agreement with Reynolds is not through the Master Agreement, see our [Privacy Policy](#).

### ***Q: Does the rule say that service-providers must follow the same safeguarding steps I have to follow?***

No. The rule states that your service-providers should be “capable of maintaining appropriate safeguards for the customer information at issue.”

### ***Q: Does the Rule say I must I audit my service-providers’ security practices?***

No. It says you must oversee service-providers.

### ***Q: How do I oversee service-providers?***

According to the FTC: “At a minimum, the Commission envisions that each financial institution will (1) take reasonable steps to assure itself that its current and potential service providers maintain sufficient procedures to detect and respond to security breaches, and (2) maintain reasonable procedures to discover and respond to widely-known security failures by its current and potential service providers.”

***Q: Where can I get more information about the Rule?***

For the Safeguards Rule, go to [www.ftc.gov/os/2002/05/67fr36585.pdf](http://www.ftc.gov/os/2002/05/67fr36585.pdf).

The FTC publication, “Financial Institutions and Customer Data: Complying with the Safeguards Rule,” is posted at [www.ftc.gov/bcp/online/pubs/buspubs/glblong.htm](http://www.ftc.gov/bcp/online/pubs/buspubs/glblong.htm).

For FTC information on GLB issues, go to [www.ftc.gov/privacy/glbact](http://www.ftc.gov/privacy/glbact).