

notice requirements. Moreover, the privacy regulations permit the appraiser to disclose information that is "necessary to effect a transaction."

However, even where an appraiser is not required to provide notice under the Final Rule, he or she should have a simple privacy notice available for clients who may request it. The notice should explain how the appraiser treats nonpublic personal information and should include a confidentiality policy. A sample Privacy Policy and a sample Confidentiality Policy are attached to this summary.

II. Summary Of Requirements When Dealing With "Consumers".

A consumer is an individual who obtains an appraisal for personal, family or household purposes. A consumer is a person with no continuing relationship with the appraiser and who obtains his or her appraisal in an isolated, one time transaction.

Where a real estate appraiser deals directly with a consumer, the appraiser will be subject to certain notice requirements under the Final Rule if the appraiser is going to disclose to third parties any nonpublic personal information collected about the consumer. In that case, the appraiser must first provide to the consumer the following:

- An Initial Privacy Notice – A clear and conspicuous notice reflecting the real estate appraiser's privacy policies and practices or a Short Form Privacy Notice which states that the appraiser's Privacy Notice is available upon request and explains a reasonable means to obtain the Notice. Samples of these Notices are attached to this summary.
- An Opt-Out Notice – A clear and conspicuous notice explaining that the appraiser may disclose the consumer's nonpublic personal information. This notice should also state that the consumer may opt-out of such disclosure, and provide a reasonable means for the consumer to opt-out. A sample Opt-Out Notice is also attached to this summary.

III. Summary Of Requirements When Dealings With "Customers".

Where an appraiser has a continuing relationship with a consumer, the consumer becomes a "customer" under the Final Rule. The Final Rule permits the appraiser to disclose information that is "necessary to effect a transaction." If the appraiser is going to disclose to third parties any information collected about the customer outside of this exception, however, the appraiser must first provide the following:

- An Initial Privacy Notice – Must be provided at the commencement of the customer relationship (same as above);
- An Opt-Out Notice – Must be provided with the Initial Privacy Notice (same as above); and
- An Annual Privacy Notice – Must be provided on a yearly basis. A sample Annual Privacy Notice is attached to this summary.

Sample Initial or Annual Privacy Notice

The following are samples for your consideration and use. Consider them as though your firm were writing them to a client.

- **Our privacy principles:** We are committed to protecting our clients' personal and financial information. This privacy statement addresses what nonpublic personal information we collect, what we do with it, and how we protect it.
- **What information we collect:** We may collect and maintain several types of personal information in the course of providing you with appraisal services, such as:

- Information we receive from you on applications, letters of engagement, forms found on our website, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, bank records, salary information, the income and expenses associated with the subject property, the sale price of the subject property, and the details of any financing on the subject property.
 - Information about your transactions with us, our affiliates or others, including, but not limited to, payments history, parties to transactions and other financial information.
 - Information we receive from a consumer reporting agency such as a credit history.
- **What information we may disclose:** We may disclose the nonpublic personal information about you described above, primarily to provide you with the appraisal services you seek from us. We do not disclose nonpublic personal information about clients or former clients except as required or permitted by law.
 - **Who we share the information with:** Unless you tell us not to, we may disclose nonpublic personal information about you to the following types of third parties:
 - Financial service providers, such as banks and lending institutions.
 - Non-financial companies.

Sample Opt-Out Notice (include with Initial or Annual Privacy Notice)

- **You may limit information shared about you.** If you prefer that we not disclose nonpublic personal information about you to third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than those permitted by law). If you wish to opt out contact us at (insert local or toll-free number) or complete an opt-out form at our web site, located at www._____ .

Sample Short Form Privacy Notice

The following are samples for your consideration and use. Consider them as though your firm were writing them to a client.

- **Our privacy principles.** We are committed to protecting our clients' personal and financial information. In the course of providing you with appraisal services, we may need to collect and maintain certain nonpublic personal information about you. Information about our privacy policies and practices, and describing what nonpublic personal information we collect, what we do with it, and how we protect it, is available upon your request.
- **How you may obtain our privacy statement.** You may obtain our privacy statement by contacting us at (insert local or toll-free phone number), visiting our website at _____, or requesting a copy at our office.

Sample Opt-Out Notice (include with Short Form Notice)

- **You may limit information shared about you.** If you prefer that we not disclose nonpublic personal information about you to third parties, you may opt out of those disclosures, that is, you may direct us not to make those disclosures (other than disclosures permitted by law). If you wish to opt out you may contact us at (insert local or toll-free number), or complete an opt-out form at our web site, located at www._____ .

Sample Privacy Policy

(For appraisers who are not subject to the GLB's notice requirements)

- **What information we collect:** We collect and use information we believe is necessary to provide you with our appraisal services. We may collect and maintain several types of personal information needed

for this purpose, such as:

- Information we receive from you on applications, letters of engagement, forms found on our website, correspondence, or conversations, including, but not limited to, your name, address, phone number, social security number, date of birth, bank records, salary information, the income and expenses associated with the subject property, the sale price of the subject property, and the details of any financing on the subject property;
 - Information about your transactions with us, our affiliates or others, including, but not limited to, payments history, parties to transactions and other financial information;
 - Information we receive from a consumer reporting agency such as a credit history.
- **What information we disclose:** Except as described below, we do not share nonpublic personal information. We will not rent, sell, trade, or otherwise release or disclose any personal information about you. We will not disclose consumer information to any third party for use in telemarketing, direct mail or other marketing purposes.
 - We limit the sharing of nonpublic personal information about you with financial or nonfinancial companies, including companies affiliated with us, and other third parties to the following:
 - (i) We may share information when it is necessary or required to process a loan or other financial transaction;
 - (ii) We may share information when it is required or permitted by law, such as to protect you against fraud or in response to a subpoena;
 - (iii) We may disclose some or all of the information described above with:
 - (a) Companies that perform marketing services on our behalf; or
 - (b) Other financial institutions for the limited purpose of jointly offering, endorsing or sponsoring a financial product or service.

Sample Confidentiality and Security Policy
(To be included with an Initial Notice or Privacy Policy
or provided to a lender client upon request)

- We consider privacy to be fundamental to our relationship with clients. We are committed to maintaining the confidentiality, integrity and security of clients' personal information. Internal policies have been developed to protect this confidentiality, while allowing client needs to be served.
- We restrict access to personal information to authorized individuals who need to know this information to provide service and products for you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to protect your nonpublic personal information. We do not disclose this information about you or any former consumers or customers to anyone, except as permitted by law. The law permits us to share this information with our affiliates. The law also permits us to share this information with companies that perform marketing services for us, or other financial institutions that have joint marketing agreements with us.
- When we share nonpublic information referred to above, the information is made available for limited purposes and under controlled circumstances. We require third parties to comply with our standards for security and confidentiality. We do not permit use of consumer/customer information for any other purpose nor do we permit third parties to rent, sell, trade or otherwise release or disclose information to any other party.