

## Compliance Systems Offers New Flexible Lending and Deposit Solution to Comply with the CCPA

The Office of the California Attorney General (OCAG) has released the highly anticipated final proposed regulations of the California Consumer Privacy Act (CCPA). However, with the final regulations may come a delay to the looming July 1, 2020 enforcement date. Compliance Systems has been closely monitoring the next procedural steps to the CCPA based on California's rulemaking process, and we are adapting our lending and deposit solutions and helping our clients navigate through CCPA compliance.

### Final Proposed Regulations and California Rulemaking Process

On June 1, 2020, the Office of the California Attorney General submitted the final text of the proposed regulations of the CCPA to the California Office of Administrative Law (OAL) as required by California law for adopting regulations. The OAL has 30 business days to review the final proposed regulations for procedural compliance. Once the regulations are approved, they will be filed with the Secretary of State and become enforceable law. However, pursuant to an executive order filed in light of COVID-19, the OAL will have an additional 60 calendar days to review the final proposed regulations. The regulations are not binding until filed and approved by the Secretary of State.

Generally in California, regulations become effective on one of four quarterly dates depending on when final regulations are filed with the Secretary of State – January 1 (if the regulations are filed between September 1 and November 30), April 1 (if the regulations are filed between December 1 and February 29), July 1 (if the regulations are filed between March 1 and May 31), and October 1 (if the regulations are filed between June 1 and August 31). Because the CCPA's final proposed regulations were filed after the May 31 deadline to be effective on July 1, enforcement of the regulations will begin October 1, 2020 unless the Office of the California Attorney General demonstrates good cause for an earlier effective date. The Office of the California Attorney General has submitted a Written Justification for Earlier Effective Date and Request for Expedited Review to petition that the OAL complete its review within 30 business days and that these regulations become effective upon filing with the Secretary of State. Pursuant to the CCPA, the Office of the California Attorney General was required to adopt implementing regulations of the CCPA on or before July 1, 2020.<sup>1</sup> Although the proposed final regulations may be delayed until October 1, 2020, there is a chance that they may be effective sooner if the OAL grants the California Office of Attorney General's request for an earlier effective date.

### Compliance Systems' CCPA Solution

Compliance Systems is offering lending and depository institutions that are subject to the CCPA, a flexible solution that fits the needs of various financial institution policies. As required by the CCPA and its implementing regulations, a financial institution that is subject to the CCPA and satisfies one or more of the required thresholds is required to provide consumers with several notices: a Privacy Policy, a Notice at Collection, a Notice of Right to Opt-Out, and a Notice of Financial Incentive. As a result, Compliance Systems is introducing two new documents in our document library: the Privacy Notice and the State Privacy Policy.

The Privacy Notice reflects the CCPA's required disclosures in the document titled Notice at Collection of Personal Information. Additionally, if a financial institution sells or otherwise discloses a consumer's personal information, this document will also disclose the requirements for the Notice of Right to Opt-Out of Sale of Personal Information.

The State Privacy Policy reflects the required disclosures of the CCPA's privacy policy in the document titled California Consumer Privacy Act Privacy Policy. This document is separate from the privacy policy required by the Gramm-Leach-Bliley Act and does not include the required information pursuant to the California Financial Information Privacy Act.

Compliance Systems does not currently support the Notice of Financial Incentive in our solution.

These documents are configurable via Simplicity Configuration. In Simplicity Configuration's Privacy Policy workflow, if a financial institution is subject to the CCPA, regardless of its institution state or the consumer's residence state, a financial institution will now have the option to control which privacy-related documents they want to complete, including the Gramm-Leach-Bliley Act's Privacy Policy, the State Privacy Policy, and/or the Privacy Notice. If a financial institution selects the State Privacy Policy and/or the Privacy Notice, a new California Consumer Privacy Act workflow tab will display for a financial institution to complete the required information to display on those documents.

Additionally, a financial institution has the option to override Simplicity Configuration's document selections in Runtime Loans and Deposit to return the State Privacy Policy for commercial account owners or borrowers and the Privacy Notice at the time of transaction. If a financial institution at transaction time selects to return the Privacy Notice, a financial institution will be asked how many copies of the Notice of Collection are to be returned in the transaction.

<sup>1</sup> CA CIVIL § 1798.185(a)