

NOTICE

To: All Licensees

From: Scott Corscadden, Supervisor Bureau of Loans 

Date: September 30, 2008

RE: Procedures for proper disposal of records

You are reminded that records must be maintained in accordance with the requirements of the Act under which you are licensed. A licensee may choose to maintain records longer than the minimal requirements. After your required maintenance time has lapsed, and if you choose to dispose of the records at that time, you are charged with the proper disposal of the records to protect the financial privacy of the consumer. Guidance for proper disposal of records can be found on the FTC's website and include the following:

- Paper documents should be burned or shredded.
- Data stored on a computer or any other electronic storage device including, but not limited to disks, CD's, magnetic tapes, hard drives, laptops, PDA's, or cell phones should be erased.

If a licensee intends on ceasing operations then the licensee must notify the Department in writing, surrender the license, and inform the Department of where the records will be maintained and how it will dispose of the records after the required maintenance time has lapsed. If you fail to notify the Department of your closing, and/or you dispose of the records in an improper manner, then the Department will seek all applicable administrative remedies. The Department will also seek the assistance of the Federal Trade Commission in assessing any penalty or punishment associated with violating federal privacy laws and regulations. Consumer's financial privacy must be protected by all current and former licensees.

Expect examiners to review your disposal procedures during the course of an examination. Notification's for closing an office location can be found on our website at www.banking.alabama.gov. Federal guidance on financial privacy can be found at the Federal Trade Commissions website, www.ftc.gov.