

April 19, 2016

Charles E. Clark, Director
Division of Consumer Services
Department of Financial Institutions
P.O. Box 41200
Olympia, Washington 98504-1200

Re: Proposed Amendments to chapter 208-630 WAC (WSR # 16-05-092) –
Comments on March 29, 2016 Amendments

Dear Mr. Clark:

This document presents Moneytree, Inc.’s (“Moneytree”) comments to the March 29, 2016 amendments made by the Department of Financial Institutions (“DFI”).

Our suggested changes are in bolded track changes. DFI’s March 29th revisions are in uncolored track changes.

WAC 208-630-520(4)(b) There is a grammatical issue left over from the changes that were made. We suggest:

An installment plan for ninety to one hundred eighty days is in compliance if there is at least one payment in each ~~thirty day month in the period,~~ **and** payments are ~~evenly spread substantially~~ **equally distributed** throughout the installment plan period, ~~and no two payments are within~~ **fourteen days of each other.**

WAC 208-630-520(4)(d) & (4)(e) A requirement that installment plan payment dates be set on the borrower’s actual payday will be difficult to achieve in certain cases, especially for borrowers with irregular pay schedules (e.g. more than one job), and may cause difficulties in dealing with weekends and bank holidays. So long as payments are generally equal in amount and equally spread, tying the payment date to actual pay dates does not provide much – if any – incremental benefit to the borrower. Therefore, we suggest eliminating the pay date provisions regarding installment plans. This would mean not adopting proposed WAC 208-630-520(4)(d) and (4)(e).

WAC 208-630-715 This section addresses the federal GLBA rules. In another payday regulation, DFI has helpfully stated that compliance with a federal standard is compliance with an analogous state standard. *See* WAC 208-630-560(1) (“Compliance with the federal Truth in Lending Act and Regulation Z, 12 C.F.R. Part 226, will be deemed compliance with this subsection.”) Therefore, we suggest the following changes:

What are the minimum requirements of an information security program required by the Federal Safeguards Rule implementing the Gramm-Leach-Bliley Act?

(1) Generally, applicants and licensees must have a written program appropriate to the company's size and complexity, the activity conducted, and the sensitivity of information at issue. The program must ensure the information's security and confidentiality, protect against anticipated threats or hazards to the security or integrity of the information, and protect against unauthorized access to or use of the information.

(2) Specifically, at a minimum the plan described in subsection (1) of this section must: (a) Designate an employee or employees to coordinate the information security program; (b) Identify and assess the risks to customer information; (c) Design and implement safeguards to control the risks identified in the risk assessment and regularly monitor and test the safeguards; (d) Select service providers that can maintain appropriate safeguards and oversee their handling of customer information; and (e) At least annually evaluate and adjust the program in light of relevant circumstances, including changes in business operations, or the results of testing and monitoring the effectiveness of the implemented safeguards.

(3) The information security plan must be maintained as part of your books and records.

(4) Compliance with the federal Gramm-Leach-Bliley Act and Regulation P, 12 C.F.R. Part 1016, will be deemed compliance with this subsection.

~~(4)~~ **(5)** For more information access the FTC web site on the Safeguards Rule at: <https://www.ftc.gov/tips-advice/business-center/guidance/financial-institutions-customer-information-complying> and see 16 C.F.R. 314.

WAC 208-630-716 The same reasoning about compliance with the federal GLBA standard applies to this subsection:

What are the minimum requirements for Consumer Financial Information Privacy under the Gramm-Leach-Bliley Act (Regulation P)? Licensees must comply with Regulation P.

(1) At a minimum, licensees must:

(a) Provide customers with initial and annual notices regarding their privacy policies. These notices describe whether and how the licensee shares consumers' nonpublic personal information, including personally identifiable financial information, with other entities; and

(b) If licensees share certain customer information with particular types of third parties, the institutions are also required to provide notice to their customers and an opportunity to opt out of the sharing. If a licensee limits its types of sharing to those which do not trigger opt-out rights, it may provide a "simplified" annual privacy notice to its customers that does not include opt-out information. If a licensee's privacy policy has not changed, additional notices may not be required.

(2) Compliance with the federal Gramm-Leach-Bliley Act and Regulation P, 12 C.F.R. Part 1016, will be deemed compliance with this subsection. See Regulation P at 12 C.F.R. 1016 for the required details.

Please let me know if you have any questions.

Thank you,

/Mark Lewington/

Mark Lewington
General Counsel
Moneytree, Inc.

Enclosures

**Comments to March 29, 2016 amendments to
DFI
Proposed Payday Rules**