Best Practices:
Implementing a Plan to Protect Non-public Personal Information

American Land Title Association

Best Practices: Protecting Non-public Information

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Speakers:

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- **Michael Volin**, Senior Counsel, Deputy Ethics and Compliance Officer, Title Resource Group

Best Practices: Protecting Non-public Information

Adopt and maintain a written privacy and information security program to protect Non-public Personal Information as required by local, state and federal law

- **Purpose**: Federal and state laws (including the Gramm-Leach-Bliley Act) require title companies to develop a written information security program that describes their procedures to protect non-public customer information. The program must be appropriate to the company's size and complexity, the nature and scope of the company's activities, and the sensitivity of the customer information the company handles. A company evaluates and adjusts its program in light of relevant circumstances, including changes in the firm's business or operations, or the results of security testing and monitoring.

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Why This Is Important

- Reduction in, or elimination of, the trust of clients/customers
- Decreased return rate of clients/customers
- Lost opportunities with new prospects
- Potential lawsuits which may include fees, penalties, and/or other kinds of punishment
- Negative publicity in the press

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What is Non-public Personal Information (NPI)

- Any information that in itself or as part of a unique combination of information specifically recognizes an individual by unique descriptors and/or identifiers.
- Information from customers on forms, applications, or information about a customer's transactions
- Information about a customer which is otherwise unavailable to the general public

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NPI Examples


FIRST BANK OF WIKI
1425 JAMES ST, PO BOX 4000
VICTORIA BC V6X 3X4 1-800-555-5555

CHEQUING ACCOUNT STATEMENT
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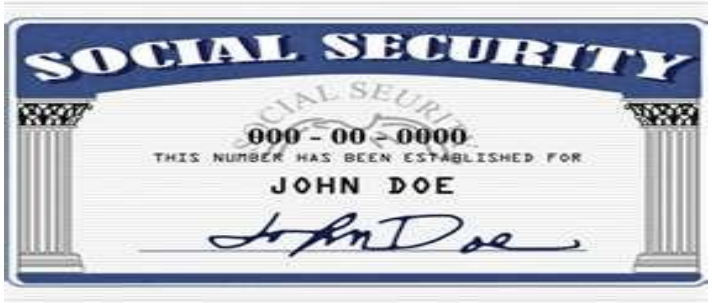
JOHN JONES
1543 DUNDAS ST W APT 27
TORONTO ON M6K 1V2

Statement period	Account No.
2003-10-09 to 2003-11-08	00005-123-456-7

Date	Description	Ref.	Withdrawals	Deposits	Balance
2003-10-08	Previous balance				0.55
2003-10-14	Payroll Deposit - HOTEL			694.81	695.36
2003-10-14	Web Bill Payment - MASTERCARD	9665	200.00		495.36
2003-10-16	ATM Withdrawal - INTERAC	3990	21.25		474.11
2003-10-16	Fees - Interac		1.50		472.61
2003-10-20	Interac Purchase - ELECTRONICS	1975	2.99		469.62
2003-10-21	Web Bill Payment - AMEX	3314	300.00		169.62
2003-10-22	ATM Withdrawal - FIRST BANK	0054	100.00		69.62
2003-10-23	Interac Purchase - SUPERMARKET	1559	29.08		40.54
2003-10-24	Interac Refund - ELECTRONICS	1975		2.99	43.53
2003-10-27	Telephone Bill Payment - VISA	2475	6.77		36.76
2003-10-28	Payroll Deposit - HOTEL			694.81	731.57
2003-10-30	Web Funds Transfer - From SAVINGS	2520		50.00	781.57
2003-11-03	Pre-Auth. Payment - INSURANCE		33.55		748.02
2003-11-03	Cheque No. : 409		100.00		648.02
2003-11-06	Mortgage Payment		710.49		-62.47
2003-11-07	Fees - Overdraft		5.00		-67.47
2003-11-08	Fees - Monthly		5.00		-72.47
	*** Totals ***		1,515.53	1,442.61	

- Bank, loan payoff, credit card statements
- Insurance, retirement, tax information
- Social Security numbers, dates of birth
- Private real estate-title related items, sales price commission amounts, loan fees



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Physical Security of NPI

- Restrict access to NPI to authorized employees who have undergone background checks and credit reports at hiring
- Prohibit or control the use of removable media
- Use only secure delivery methods when transmitting NPI

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Background Checks

- Consent to check
- Compliance with local law
- Variety of outside companies
- Consistent policy

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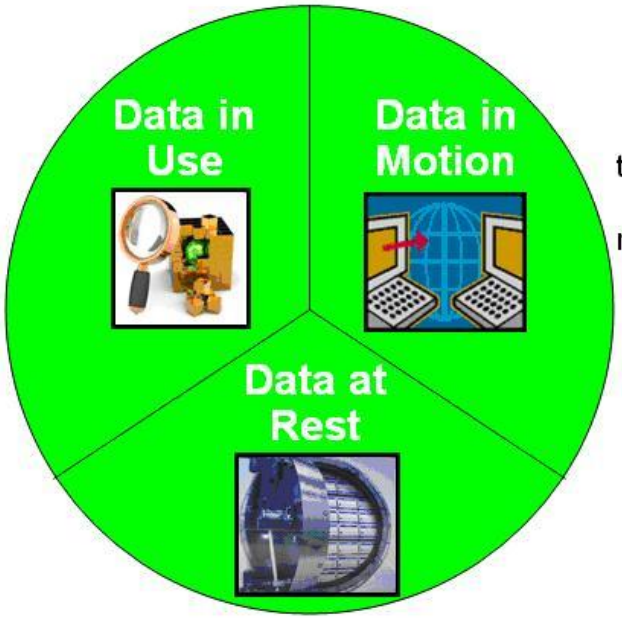
Identify NPI At Your Company

Data in Use:
Active data under constant change stored physically in databases, data warehouses, spreadsheets etc.



Data in Motion:
Data that is traversing a network or temporarily residing in computer memory to be read or updated.

Data at Rest:
Inactive data stored physically in databases, data warehouses, spreadsheets, archives, tapes, off-site backups etc.

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Network Security of NPI

- Maintain and secure access to company information technology
- Develop guidelines for the appropriate use of company information technology
- Ensure secure collection and transmission of NPI

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NPI At Rest

- Secure file cabinets
- Warehouse
- Document custodian
- Locked drawers
- Archive systems
  - CDs, storage arrays
- Servers
  - email, instant messaging, fax servers, file storage

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NPI In-Use

- At a closing (docs on the table)
- Data being entered into webpage
- Active processing of an order in a software program

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NPI In Motion

- Information you want to move
  - Websites
  - Documents
  - Data
  - Financial transaction information
  - Service providers

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Disposal of NPI

- Federal law requires proper disposal
  - Secure shredding bins
  - Multi-function devices
  - Computer hard drives

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Additional Steps

- Disaster management plan
- Appropriate management and training of employees to ensure compliance with company's information security program
- Oversight of service providers to ensure compliance with a company's information security program
  - Companies should take reasonable steps to select and retain service providers that are capable of appropriately safeguarding NPI.

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Audit and Oversight

- Ensuring compliance with information security program
  - Review privacy and information security procedures to detect the potential for improper disclosure of NPI
    - Clean-desk policies
    - Lock computers/desk/office
    - Lock file cabinets
    - Secure facility
    - No “ride-alongs”
    - Passwords for all systems (MFD, computers)
    - Protect passwords

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Security Breaches

- Notification to customers and law enforcement
  - Post the privacy and information security program on their websites
  - Provide program information directly to customers in another useable form
  - When a breach is detected, companies should have a program to inform customers and law enforcement as required by law

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Questions?

- Use the chat function to submit your question(s)

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Resources

- **Contact Info**
  - Todd Hougaard, 801-736-3181, todd.hougaard@greenfolders.com
  - Michael Volin, 856-914-8626, michael.volin@trgc.com
  - www.alta.org/bestpractices
  - Webinar recording: www.alta.org/titletopics
- **Next webinar**
  - Recording and pricing procedures
    - 2 p.m. ET, Wednesday, April 10

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