



The FTC's Safeguards Rule: New Risks and Requirements

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The Federal Trade Commission's Safeguards Rule is applicable to financial institutions, whether you are a lender or a check casher. Also, the Consumer Financial Protection Bureau extends certain data safeguard practices to "service providers" and "covered entities." Significant amendments to the Rule became effective on June 9, 2023. The amendments impose specific requirements regarding the development and implementation of an effective Safeguards Program, including written risk assessments, written incident response plans, penetration testing and vulnerability assessments, activity monitoring and logging, change management; and testing and monitoring the effectiveness of safeguards. It also requires that a single qualified individual be appointed to oversee your Safeguards Program; reports to the Board or Ownership; program evaluation; and training. This session will feature leading compliance experts from the Hudson Cook law firm providing guidance to operators to make sure you are following the amended Safeguards Rule and CFPB circular, and if not, how you can get there and examine recently proposed regulations in both California and New York to provide further insight into adequate safeguarding measures.

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