



Understanding how the GLBA exemption affects the CCPA: Partner Michael Benoit quoted in Auto Finance Excellence article

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The California Consumer Privacy Act (CCPA) is set to go into effect on January 1, 2020. California Attorney General Xavier Becerra is unlikely to open any enforcement action under the new law until July 2020, although Partner [Michael Benoit](#) advises creditors to start preparing now for the law's January effective date. One important aspect of that preparation is understanding how the CCPA's Gramm-Leach-Bliley Act (GLBA) exemption works.

Michael explained to [Auto Finance Excellence](#) that creditors are exempt from the CCPA for information that is collected, processed, sold or disclosed pursuant to the GLBA. "For finance companies, you are subject to the Gramm-Leach-Bliley privacy act rule, so there's a major exemption, but it does not attach in a way that makes [you] completely immune to the bill," he said, noting that creditors can take advantage of the exemption because of their status as financial institutions.

Michael explained that if a creditor obtains personal information – as defined in the CCPA – in order to deliver a financial product or service, that data could fall under the GLBA exemption. Further, according to Michael, "if you provide GLBA-regulated data to a third party as GLBA permits, that data is still covered by this exemption." The GLBA exemption, however, doesn't cover certain data breaches when consumers have the right to sue.

Michael advises banks, sales finance companies, auto dealers, leasing companies, mortgage lenders, and other creditors and technology providers on a wide range of consumer financial services law, and provides federal legislative and regulatory advice and support to financial services trade associations. His practice includes consumer credit, electronic commerce, privacy, telemarketing, personal property financing and leasing, as well as creditor-based collection practices. He assists CFPB-regulated clients in preparing for supervisory exams, and represents clients in investigation and enforcement matters involving the FTC and the CFPB. Michael is a Fellow of the American College of Consumer Financial Services Lawyers and ranked in Chambers USA Nationwide 2019 for Financial Services Regulation: Consumer Finance (Compliance).

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