

Walter C. Witthoff
Deputy Executive Director
Government Relations
Iowa Student Loan Liquidity Corporation
900 Equitable Bldg.
604 Locust Street
Des Moines, Iowa 50309

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Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue, NW
Washington, D.C. 20580

Delivery via electronic mail: GLB501Rule@ftc.gov

Dear Mr. Secretary:

The Iowa Student Loan Liquidity Corporation is pleased to provide to the Federal Trade Commission the following comments relative to the advance notice of proposed rulemaking and request for comment regarding the security and privacy of customer financial information (16 CFR Part 313) issued September 7, 2000. Iowa Student Loan is a private, not-for-profit corporation, created as a state-based secondary market for education loans pursuant to the Higher Education Act of 1965, as amended. Its market is primarily the state of Iowa, and it purchases both private and government-insured education loans. Moreover, in its capacity as a licensed lender in the state of Iowa, Iowa Student Loan originates consumer credit education loans to students and parents who either attend Iowa postsecondary institutions and/or are residents of the state of Iowa.

Comment: Iowa Student Loan encourages the FTC to adopt the more general approach to safeguards taken by the Security and Exchange Commission in its Privacy of Consumer Financial Information Final Rule (Section 248.30), in its entirety.

Rationale: Iowa Student Loan appreciates the great degree of flexibility offered by the SEC. The student loan industry wants and needs this critical flexibility. Iowa Student Loan presently has policies and practices in place regarding all operational, programmatic and systematic aspects of its program to ensure the security of borrower records. These policies clearly define standards wherein employees may review borrower records. Each employee is required to sign an agreement that he or she will protect the confidentiality of all borrower records. Iowa Student Loan also maintains an extensive disaster recovery plan, which provides for the back-up and off-site storage of critical account data. Long-term contracts have been signed with an off-site storage service provider and a hot-site provider based in Chicago. Iowa Student Loan is fully confident that its standards meet the expectations of Congress as expressed in the Gramm-Leach-Bliley Act, and genuinely desires the flexibility accorded by the SEC rules in maintaining its policies and practices.

Comment: To the extent that the FTC elects to develop more extensive rules than those written by the SEC, Iowa Student Loan requests that the FTC develop detailed examples of how financial institutions might comply in under various scenarios. These examples should not constitute the sole means to achieve compliance, but rather would serve as guidance.

Rationale: Iowa Student Loan does not believe that education loan providers or their customers would benefit from further regulation by the FTC; in fact, further governance might prove burdensome to borrowers. Conversely, vague and imprecise rules may lead to unfair and uneven supervision by the FTC. A reasonable compromise would be for the FTC to create non-binding examples of compliance with its Safeguard Rules. This would impart flexibility yet still provide reasonable guidance, thus meeting the objectives of Congress.

Comment: Iowa Student Loan requests that the level of involvement by its board of directors in developing and monitoring its privacy policies and practices be determined by its board.

Rationale: We do not believe it is necessary for the rules to specify board's involvement in the development and implementation of the privacy plan. Iowa Student Loan's board of directors is presently very active in these issues and routinely receives reports from staff. To the extent that the FTC requires its involvement, the board of directors should be responsible for approving a privacy policy, and leaving the implementation of such policy to corporate management.

I thank you for the opportunity to present these comments. If you have any questions regarding this matter, please do not hesitate to call me at 515-243-5626.

Respectfully submitted,

Walter C. Witthoff
Deputy Executive Director
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