

2022 National Remarketing Conference  
Used Car Week

# Buckle Up: Revised FTC Safeguards Rule for Remarketers



**Jason S. McCarter**  
Member  
Miller & Martin



**Sam Casey**  
Assistant General Counsel  
Cox Automotive, Inc.



# Revised FTC's Safeguards Rule

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## The Race Towards Compliance

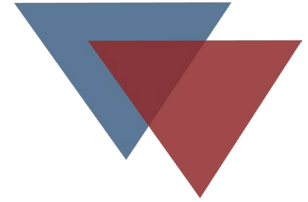


EFFECTIVE  
January 2022

COMPLIANCE DEADLINE  
~~December 9, 2022~~ \* June 9, 2023\*

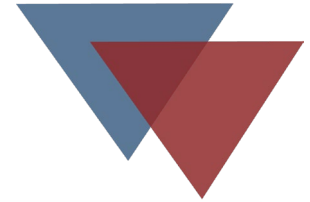
# The Road to the FTC's Revised Safeguards Rule

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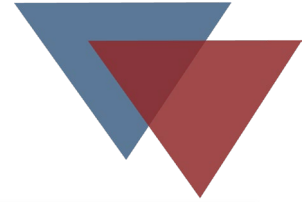
- FTC's original Rule, which took effect in 2003, **maintains safeguards to protect the security of customer information.**
- Applies to the handling of customer information by all covered financial institutions\* (*\*more on covered entities later*)
- Amended in 2021 to make sure the Rule **keeps pace with current technology.**
- Preserving the flexibility of the original Safeguards Rule, the revised Rule **provides more concrete guidance for businesses.**
- Revised Rule **reflects core data security principles** that all covered companies need to implement.

# Who's Covered by the Safeguards Rule? And Who Isn't?

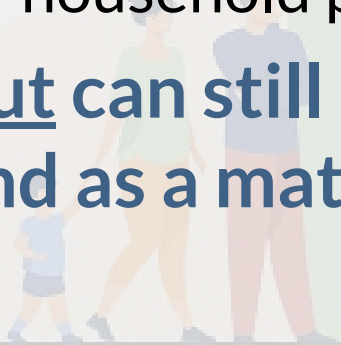


- Remarketers are considered a “Financial Institution” if:
  - ✓ Engaged in activity financial in nature
  - ✓ Activity incidental to financial activities
  - ✓ Not under authority of another GLB regulator
- **Exemptions**
  - Not “significantly” engaged in such activities
  - FTC has exempted from certain provisions of the Rule financial institutions that “maintain customer information concerning fewer than five thousand consumers.”

# Information Protected



- **Generally applies to nonpublic personal information of customers**
  - Customer = a consumer who has a customer relationship with you
  - Consumer = obtaining/seeking financial product or service to be used “primarily for personal, family, or household purposes”
- **But can still reach service providers indirectly and as a matter of contract with covered parties**





# What are Safeguards Rule Requirements?

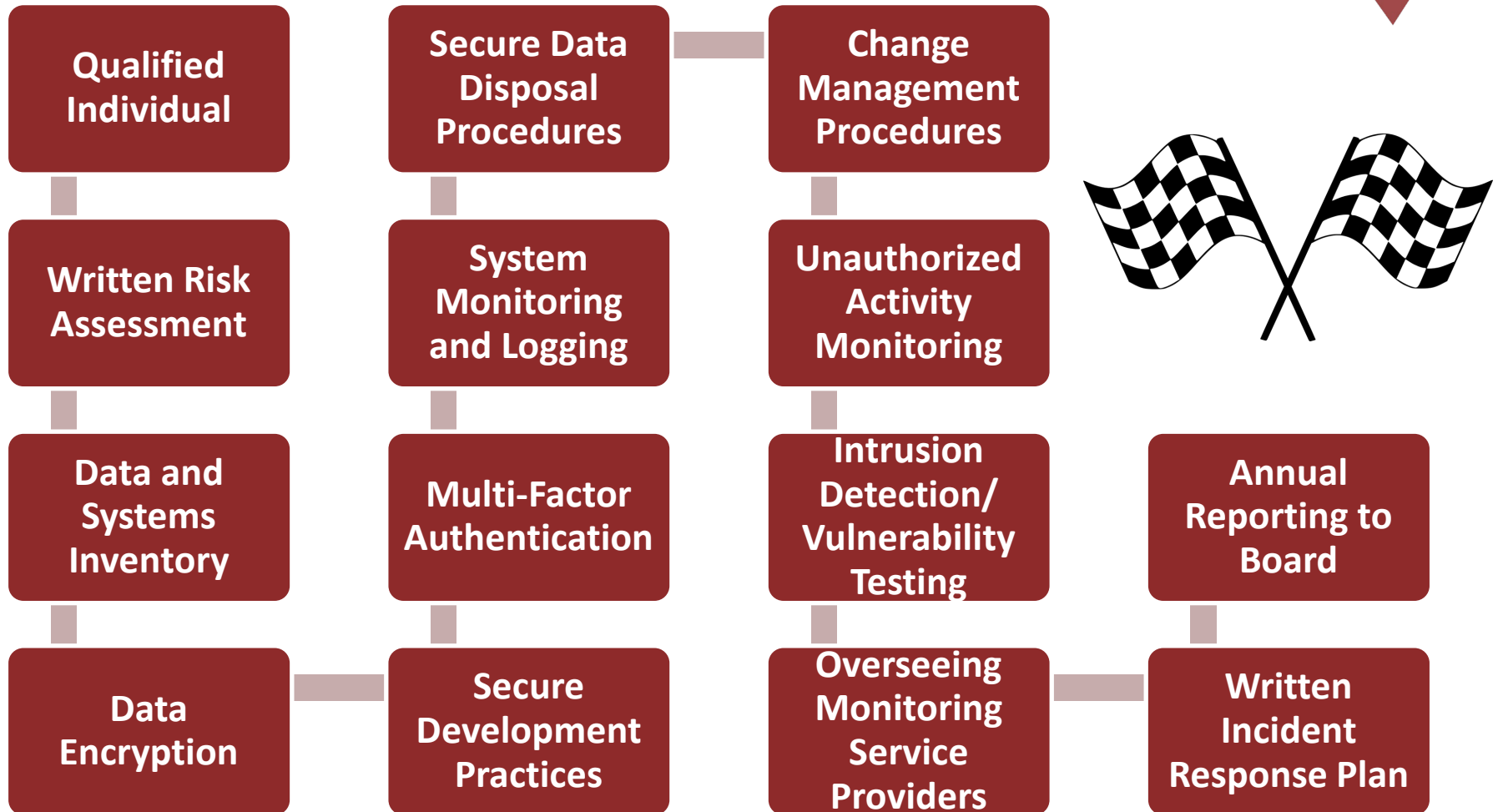
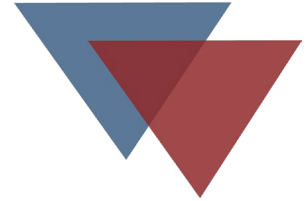
# ✓ Data Privacy & Security

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- Develop, implement, and maintain an “information security program”
  - Must be written
  - Appropriate to size, complexity, and scope/nature of your business
- Program should
  - Ensure security and confidentiality of customer info
  - Protect against anticipated data security/integrity threats
  - Protect against unauthorized access to info that could result in harm or inconvenience to customer

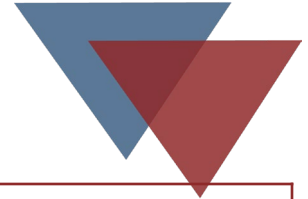


# Roadmap Towards New Requirements Compliance





# Designing & Implementing Program Under Safeguards Rule

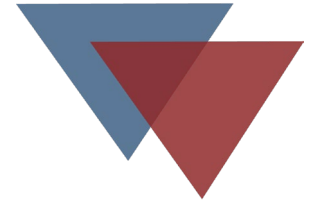


|  |  |
|--|--|
| ✓ Implement and periodically review access controls                                  | ✓ Implement multi-factor authentication for accessing customer info within systems |
| ✓ Know what you have and where you have it   | ✓ Dispose of customer information securely   |
| ✓ Encrypt customer info on your system and while in transit                          | ✓ Anticipate and evaluate changes to your information system or network            |
| ✓ Assess your apps and third-party apps that store, access or transmit customer info | ✓ Maintain log of authorized users' activity and detect unauthorized access        |

# What to Do

## Practical Compliance Tips

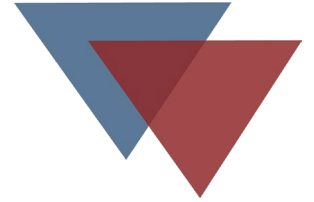
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- ✓ Download and read the FTC’s plain language summary: “FTC Safeguards Rule: What Your Business Needs to Know”
  - ✓ <https://www.ftc.gov/business-guidance/resources/ftc-safeguards-rule-what-your-business-needs-know>
- ✓ Determine applicability and conduct a risk assessment focused around nonpublic consumer info – obtained by you and provided by B2B clients
- ✓ Appoint a program officer and document your plan in plain language

# Still Confused?

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*BETTER  
CALL  
Saul*

A stylized graphic of the scales of justice, drawn in yellow with black outlines. The scales are tilted, with the right pan being higher than the left. The pan on the right is connected to the central pillar by a curved line that loops around the top and back down to the pan.

# Questions?

## Ask Us



### **Jason McCarter, Esq.**

Member/Automotive Practice Chair, Miller & Martin PLLC

 [jason.mccarter@millermartin.com](mailto:jason.mccarter@millermartin.com)

 404.962.6428

 <https://www.linkedin.com/in/jasonmccarter/>



### **Sam Casey, Esq.**

Assistant General Counsel, Cox Automotive, Inc.

 [sam.casey@coxautoinc.com](mailto:sam.casey@coxautoinc.com)

 678.645.6998

 <https://www.linkedin.com/in/sam-casey/>



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