

# ATTACHMENT

## Federal Trade Commission Safeguarding Customer Information

The new regulations require that you “**develop, implement, and maintain a comprehensive information security program that contains reasonable administrative, technical, and physical safeguards of the information that is available to your institutions.**”

These new regulations take effect May 23, 2003. In order to accomplish the provisions of the Safeguard Act, the regulations direct that you:

1. Designate an employee(s) to coordinate your information security program.
2. Identify reasonably foreseeable internal and external risks to the security, confidentiality, and integrity of customer information.
3. Assess the sufficiency of any safeguards in place to control these risks.

The regulations state that when considering the risk associated with each area of your operations that you include such areas as:

1. Employee training and management;
2. Information systems, including network and software design and information storage, transmission and disposal; and
3. Detecting, preventing, and responding to attacks, intrusions, or other system failures.

Although these regulations sound rather cumbersome, many of you already have these items in place as part of your institutions' Information Security Policy.

The Information Security Program required by these regulations should be a combination of your Information Security Policy, your departmental operating procedures, and any institutional policies that are in place regarding access to personal or classified information. The combination of these items will describe how your institution maintains control over the systems and information resident within those systems.

In addition, there is a requirement that service providers utilized by colleges and universities also comply with these Safeguard provisions. Campus Partners meets these requirements through the establishment of its Information Security Policy that describes the processes and procedures in place to address both logical and physical security of its servicing system, System III<sup>SM</sup>. Also, as part of the annual SAS-70 audit performed on our Campus-based and Private loan portfolios, an independent third-party reviews and tests the controls in place relative to System III and its data. Campus Partners will not share information related to your students without the written permission of your institution.