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Northern Trust

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Senior Vice President and
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May 1, 2002

Regulations and Legislation Division
Chief Counsel's Office
Office of Thrift Supervision
1700 G Street, NW
Washington, D.C. 20552
ATTN.: Study on GLBA Information Sharing

Re: Comments on the Gramm-Leach-Bliley Act ("GLBA") Information Sharing Study

Ladies and Gentlemen:

We are pleased to have this opportunity to comment on the study on information sharing practices among financial institutions and their affiliates.

Northern Trust Corporation ("Northern") is a multi-bank holding company with its headquarters in Chicago, Illinois. We have a growing network of offices in 15 U.S. states and international offices in five countries. Northern Trust had assets totaling \$37 billion and trust assets under administration totaling \$1.7 trillion as of March 31, 2002.

One of Northern's primary business strategies is to provide trust, investment and banking services to consumer clients. We believe that our clients take their privacy very seriously and preserving our clients' trust is one of Northern's core values. We respect the premium they place on keeping their personal finances a private matter. Northern does not sell client lists or any other client information to outside companies and therefore is not required to give a GLBA opt-out.

Safeguarding Information

To keep information confidential and appropriately protected, Northern has policies that limit access to our clients' personal information to those employees who need it to perform their jobs and provide services to clients. We also maintain physical, electronic, and procedural safeguards that comply with federal standards to guard client personal information.



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Information Sharing

Only under certain circumstances, and only as permitted by law, will we disclose information about our clients and former clients to unaffiliated third parties. For instance, we share with companies that perform services for us, such as a company that mails client statements. These companies are not allowed to use this information to sell their products to our clients directly, and they are not allowed to sell this information to other companies. Northern requires these companies to sign an agreement specifying they ensure the security and confidentiality of client information.

Benefits of Sharing Information

Northern shares information we collect about our clients and former clients between our affiliated financial institutions. Sharing of information between affiliates allows us to consolidate our operations and provides processing efficiencies, thus resulting in lower priced products and services for our clients. It also provides conveniences, such as check cashing, to clients throughout our network of offices regardless of where the clients' relationship is maintained. In addition, sharing information between our affiliated financial institutions enables us to evaluate our clients' complete Northern relationship so we may inform them of products and services that could be of value to them.

Adequacy of Existing Laws and Feasibility of Different Approaches

We believe the existing consumer privacy laws with which financial institutions must comply do not need to be supplemented and there is no need for the government to impose more stringent privacy requirements on financial institutions for the following reasons:

- The GLBA already provides consumers with the ability to restrict financial institutions from selling their personal information to unaffiliated companies and establishes information security requirements.
- Financial institutions have sufficient incentives to protect their computer systems with commercially reasonable security.



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- The Fair Credit Reporting Act ("FCRA") already provides consumers with the ability to restrict sharing certain personal information for marketing purposes with financial affiliates. Our experience has shown that less than 1% of our consumer clients have chosen to opt-out of this affiliate information sharing. We believe this is a strong indication that providing clients the ability to opt-in is unnecessary.

Federal laws preempting state laws that restrict affiliate information sharing should not only remain in effect, but should be extended in time. Rather than a proliferation of new state laws, Federal pre-eminence should be maintained to minimize potentially conflicting privacy requirements. Standardization across all states assists in providing clarity in disclosures to clients, particularly those who maintain banking relationships in multiple jurisdictions. In addition, we believe that differing requirements across states would have a negative impact in that existing efficiencies of processing inherent in current computer systems could not be achieved. Our computer systems were designed based on the laws allowing affiliate information sharing that were in effect at the time the computer system was designed. A restriction on affiliate information sharing by one state could require expensive system changes, while providing little practical benefit to our clients.

In conclusion, we believe that further restrictions on affiliate information sharing are not necessary, and would not provide additional benefits to our clients. In an effort to eliminate potential differences in requirements among states, Federal law should continue to pre-empt state efforts to restrict affiliate information sharing. We believe this approach would be beneficial to clients and less costly to administer.

Northern appreciates this opportunity to participate in the GLBA Information Sharing Study.

Respectfully Submitted,

Patricia K. Bartler
Senior Vice President and
Chief Compliance Officer