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M E M O R A N D U M

October 10, 2007

To Our Clients and Friends

Re: Action on Final Rules Regarding Affiliate Marketing under the FACT Act

Next week the Federal agencies will consider and release final rules implementing the affiliate sharing rules required under Section 214 of the Fair and Accurate Credit Transactions Act of 2003 (the “FACT Act”). Section 214 provides consumers with the ability to restrict companies from using certain information obtained from affiliates to make solicitations and requires the Federal banking agencies, the Federal Trade Commission and the Securities and Exchange Commission to prescribe regulations to implement the provision.

The agencies proposed interagency rules to implement § 214 in 2004. *See 69 Fed. Reg.* 42502 (July 15, 2004)(banking agencies) and *69 Fed. Reg.* 42302 (July 14, 2004)(SEC). The Federal Deposit Insurance Corporation has announced that it will consider the final rules at its meeting on Tuesday, October 16, 2007. It is anticipated that the other agencies will consider the final rules shortly as well.

We will issue a Client and Friends memorandum after the language of the final rule is released.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox or Heidi Wicker at (202) 776-0700.