

Auto Dealerships

THE CHALLENGE:

New Security Requirements



In 1999, Congress passed the [Gramm-Leach-Bliley Act \(GLBA\)](#) that established the 2002 Safeguards Rule. The [Safeguards Rule](#) gave the [Federal Trade Commission \(FTC\)](#) the power to oversee non-financial institutions that engage in financial transactions, including auto dealerships. Historically, the Safeguards Rule has been vague and offered flexibility in compliance without prescribing detailed requirements.

On October 27, 2021 the FTC announced changes to the Safeguards Rule in order to protect consumer data at non-banking financial institutions, including “motor vehicle dealers.” These new rules were published on December 9, 2021 and will require compliance by June 9, 2023. Some companies might already be familiar with these new regulations, as they are similar to the cybersecurity guidelines established by the [New York Department of Financial Services \(NYDFS\)](#) and the [California Consumer Privacy Act](#).

The most significant changes in this amendment include the expansion of the term “financial institution,” and new technology requirements. Specifically, the rule calls out multi-factor authentication, or MFA. This means that in addition to a username and password, users with access to consumer data will need another factor, such as a token, biometric, or application that can verify the user’s identity. While these changes can seem intimidating to understand and implement, Duo has extensive experience working with industries with complex security requirements, such as healthcare, education, and, of course, finance. Duo’s MFA solution can quickly and efficiently ensure your company’s compliance while also protecting your customer data.

