

September 12, 2018

The Honorable Jeb Hensarling
Chairman
House Committee on Financial Services
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Committee on Financial Services
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of our members, the undersigned organizations are writing to express our views on the Consumer Information Notification Requirement Act (H.R. 6743).

We would like to thank you and the members of the House Financial Services Committee for your efforts to work cooperatively with all parties to enact data security legislation. Data security breaches continue to put millions of consumers at risk, and we share your views that protecting the sensitive personal and financial information of consumers is vitally important. Stopping breaches is critical for consumers, and also important to our members who often have the closest relationships with those affected.

Data breaches impose significant costs on financial institutions of all sizes. For example, when a third party has a breach involving payment card information, our first priority is to protect consumers and ensure that they have no liability for fraud that typically follows a breach. Our members provide relief to victims of breaches, regardless of where the breach occurs.

H.R. 6743 would put in place uniform consumer notification standards across all Gramm-Leach-Bliley Act (GLBA) regulatory agencies and would preempt State and local data protection and consumer notification standards with respect to financial institutions subject to the GLBA.

We support reporting this legislation out of Committee so that Congress can take a step forward in enacting comprehensive data breach legislation encompassing the following elements for all entities that acquire and use sensitive personal and financial information:

- A flexible, scalable data protection standard equivalent to what is already in place for financial institutions under the GLBA.
- A notification regime equivalent to the GLBA requiring timely notice to impacted consumers, law enforcement, and applicable regulators when there is a reasonable risk that a breach of unencrypted personal information exposes consumers to identity theft or other financial harm.
- Consistent, exclusive enforcement of this data security and notification national standard by the appropriate Federal and state agencies.
- Clear preemption of the existing patchwork of often conflicting and contradictory state laws for all entities that follow this national data security and notification standard.

Our existing payments system serves hundreds of millions of consumers, retailers, financial institutions and the economy well. Protecting this system is a shared responsibility of all parties involved and we must work together and invest the necessary resources to combat never-ending threats to the payments system.

We support reporting H.R. 6743 out of Committee and look forward to continuing to work with you and your colleagues to enact comprehensive data breach legislation as soon as possible.

Sincerely,

American Bankers Association
Consumer Bankers Association
Credit Union National Association
Independent Community Bankers of America
National Association of Federally-Insured Credit Unions

cc: Members of the House Committee on Financial Services