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National Association of Federally-Insured Credit Unions

September 25, 2018

The Honorable John Thune
Chairman
Committee on Commerce, Science,
& Transportation
United States Senate
Washington, D.C. 20510

The Honorable Bill Nelson
Ranking Member
Committee on Commerce, Science,
& Transportation
United States Senate
Washington, D.C. 20510

Re: Tomorrow's Hearing, "Examining Safeguards for Consumer Data Privacy"

Dear Chairman Thune and Ranking Member Nelson:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only trade association exclusively representing the federal interests of our nation's federally-insured credit unions, I write today in conjunction with tomorrow's hearing, "Examining Safeguards for Consumer Data Privacy." We appreciate the Committee's continued focus on protecting consumer information and data.

While tomorrow's hearing focuses on privacy of consumer data, we urge the Committee to not lose focus on the need for data protection, particularly when it comes to establishing a national standard of consumer data security. As NAFCU has previously communicated to the Committee, there is a need for a national data security standard for entities that collect and store consumers' personal and financial information that are not already subject to the same stringent requirements that depository institutions are under the *Gramm-Leach-Bliley Act* (GLBA).


Unfortunately, data breaches have become a constant concern of the American people. Major data breaches now occur with an unacceptable level of regularity. Polling has found that two-thirds of U.S. adults are frequently or occasionally concerned about having their credit card information stolen by hackers. These staggering survey results speak for themselves and should demonstrate the need for greater national attention to this issue.

Credit unions suffer steep losses in re-establishing member safety after a data breach occurs and are often forced to absorb fraud-related losses in its wake. Credit union members often turn to their credit union for answers and support when data breaches occur. As credit unions are not-for-profit cooperatives, credit union members are the ones that are ultimately impacted by these costs. Negligent entities should be held financially liable for any losses that occurred due to breaches on their end so that consumers are not left holding the bag.

As the Committee examines the larger consumer data privacy debate, we urge you to recognize that the security of consumer data is another important reason why a national data security standard

needs to be considered. On behalf of our nation's credit unions and their more than 114 million members, we thank you for your attention to this important matter. Should you have any questions or require any additional information please contact me or Allyson Browning, NAFCU's Associate Director of Legislative Affairs, at 703-842-2836 or abrowning@nafcu.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', with a long horizontal flourish extending to the right.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Senate Committee on Commerce, Science, & Transportation