



3138 10th Street North
Arlington, VA 22201-2149
703.842.2215 | 800.336.4644
f: 703.522.2734
dberger@nafcu.org | nafcu.org

B. Dan Berger
President & Chief Executive Officer

National Association of Federally-Insured Credit Unions

August 21, 2018

The Honorable Nancy A. Berryhill
Acting Commissioner
Social Security Administration
1100 West High Rise
6401 Security Blvd.
Baltimore, MD 21235

RE: S. 2155 Section 215 - Reducing Identity Fraud

Dear Acting Commissioner Berryhill:

On behalf of the National Association of Federally-Insured Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to you in regard to the implementation of section 215 of the recently enacted *Economic Growth, Regulatory Relief, and Consumer Protection Act* (S. 2155). Section 215 requires the Social Security Administration (SSA) to create a system to verify electronic signatures in an attempt to reduce synthetic identity fraud, a process in which a criminal combines real and fake information to create a new identity for the purposes of opening fraudulent accounts and making fraudulent purchases. NAFCU strongly encourages the SSA to adopt a process of self-certification of compliance with the *Gramm-Leach-Bliley Act* (GLBA) in order for a "permitted entity" to begin using the database mandated under subsection 215(e)(3). NAFCU encourages the SSA to coordinate with the National Credit Union Administration (NCUA) to ensure that implementation of section 215 does not create additional regulatory burdens for credit unions.

Section 215 aims to reduce synthetic identity fraud by directing the SSA to allow financial institutions to receive consumers' consent through electronic signature to verify their name, date of birth, and Social Security number. To achieve this end, the section requires the SSA to establish and maintain a database of such information, which financial institutions may query to verify a consumers' identity. The statute permits the SSA to evaluate the feasibility of modifying the existing Consent Based Social Security Number Verification Service to fulfill this mandate. The statute also requires the SSA to certify each "permitted entity" every two years for, among other things, compliance with its privacy and data security requirements under the GLBA.

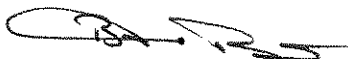
More specifically, subsection 215(e) does not require any agency to certify compliance but merely requires that "the Commissioner [of the SSA] has a certification *from* the permitted entity..." (emphasis added). The plain language of the statute does not require the SSA or any other agency

to establish a certification process. This suggests that self-certification by a permitted entity of the declarations enumerated under this subsection is sufficient to satisfy the certification requirement. Notwithstanding that certification requirement, subsection 215(g)(2) provides that prudential regulators like the NCUA and others listed in section 505(a)(1) through (7) of the GLBA shall enforce any violation of and any certification under this section. As the statute acknowledges, credit unions are already subject to the NCUA's supervisory authority and examination for compliance with the GLBA. Accordingly, neither the SSA nor the NCUA should be conducting any additional compliance certification under section 215 if the credit union provides its self-certification.

NAFCU supports the intent of the law but is strongly opposed to any duplicative compliance requirements for its credit union members. Therefore, NAFCU urges the SSA to establish a self-certification procedure that accompanies the registration process for use of the database. The procedure may be as simple as checking a box with the required declaration. NAFCU also suggests the SSA coordinate with the NCUA to guarantee there are no additional certification requirements for credit unions and that the agencies establish an open channel of communication regarding GLBA compliance as it pertains to this section.

NAFCU and its member credit unions appreciate your prompt attention to this matter. If you have any questions or would like additional information regarding this issue, please do not hesitate to contact me or NAFCU's Senior Regulatory Affairs Counsel, Ann Kossachev, at 703-842-2212, or akossachev@nafcu.org.

Sincerely,



B. Dan Berger
President and CEO

cc: Mr. Michael McKenna, General Counsel, NCUA
Mr. Larry Fazio, Director of the Office of Examination and Insurance, NCUA