



3138 10th Street North
Arlington, VA 22201-2149
703.522.4770 | 800.336.4644
F: 703.524.1082
nafcu@nafcu.org

National Association of Federal Credit Unions | www.nafcu.org

November 2, 2015

The Honorable Jeff Flake
Chairman
Subcommittee on Privacy,
Technology and the Law
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

The Honorable Al Franken
Ranking Member
Subcommittee on Privacy,
Technology and the Law
Committee on the Judiciary
United States Senate
Washington, D.C. 20510

RE: Tomorrow's Hearing entitled, "Data Brokers: Is Consumers' Information Secure?"

Dear Chairman Flake and Ranking Member Franken:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally-insured credit unions, I write today in advance of tomorrow's hearing entitled, "Data Brokers: Is Consumers' Information Secure?" NAFCU appreciates your leadership in holding this important hearing and the opportunity to share our views on data security.

As you know, in the wake of several large-scale data breaches, data security and the threat of fraud or identity theft has grown to be a major concern of many Americans today. Unfortunately, not all entities are held to a federal standard for protecting sensitive financial and personal information. While credit unions have been subject to federal standards on data security since the passage of the *Gramm-Leach-Bliley Act* in 1999, the same cannot be said for other entities, such as our nation's retailers, who often hold and access large amounts of consumer data.

NAFCU is hopeful that Congress will soon take legislative action to address ongoing data security shortfalls at our nation's retailers. Every time a consumer uses a plastic card for payment at a register or makes online payments from their accounts, they unwittingly put themselves at risk of criminals who would hack in to merchant systems and steal their information. Traditionally consumers have trusted that entities collecting this type of information will, at the very least, make a minimal effort to protect them from such risks. Unfortunately this does not seem to be the case today.

NAFCU supports S. 961, the *Data Security Act of 2015*, and believes it would help address these concerns. This legislation would ensure that all entities that handle sensitive financial personal information have common-sense safeguards and processes in place to protect data and provide

notice to consumers in the event of a breach. We are also pleased that it would recognize that it is not productive to duplicate data protection and consumer notice requirements that are already in place for credit unions under the *Gramm-Leach-Bliley Act*. Enacting this legislation would be a major step forward in ensuring consumers' information is secure.

Thank you for your attention to this important matter. We look forward to tomorrow's hearing and working with the committee as you move forward in addressing data security issues. If my staff or I can be of assistance to you, or if you have any questions regarding this issue, please feel free to contact myself, or NAFCU's Associate Director of Legislative Affairs, Chad Adams, at (703) 842- 2265.

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 Judiciary Subcommittee on Privacy, Technology, and the Law