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

December 7, 2015

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
United States House of Representatives
Washington, D.C. 20515

Re: Tomorrow's Mark-up and Key Votes for Credit Unions

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the National Association of Federal 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 the Committee's scheduled mark-up tomorrow. NAFCU appreciates the Committee's commitment to moving forward with legislation to provide regulatory relief for community financial institutions. NAFCU supports the following measures and urges the Committee to report these pieces of legislation for consideration by the entire House of Representatives. The measures below are both key votes for NAFCU and your credit union constituency.

The Data Security Act of 2015, H.R. 2205

The *Data Security Act of 2015* (H.R. 2205), introduced by Representatives Randy Neugebauer and John Carney, is a critical step forward in protecting Americans' sensitive personally identifiable financial information. 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. While financial institutions have clear standards derived from the *Gramm-Leach-Bliley Act*, many other companies and businesses that receive and maintain personally identifiable financial information are not subject to any federal standard.

This legislation would ensure that all entities that handle sensitive financial personal information have commonsense 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*.

We strongly support this important bipartisan legislation and the manager's amendment. Additionally, it is critical that the core provisions of H.R. 2205 remain intact and we urge you to oppose any amendments that would undermine it, including amendments that would impose

static technology mandates. In a rapidly changing security environment, technology is best left to innovation, not legislation.

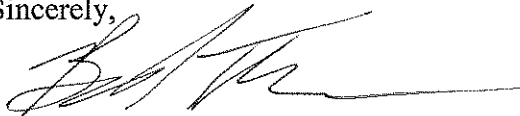
NAFCU encourages Committee members to support this bipartisan legislation.

The National Credit Union Administration Budget Transparency Act, H.R. 2287

NAFCU strongly supports the *National Credit Union Administration Budget Transparency Act* (H.R. 2287), introduced by Representatives Mick Mulvaney and Kyrsten Sinema. This important commonsense legislation would require the National Credit Union Administration (NCUA) to hold a public hearing on its annual budget and publish a draft of the budget for public review in the *Federal Register*. Given that credit unions fund the agency through various assessments, NAFCU supports gaining a clear picture of the agency's expenditures through this simple act of transparency. Importantly, holding a public hearing on the budget was standard practice at the NCUA until 2009. It is also worth noting that nothing in this measure would prevent NCUA from obtaining the funds necessary to carry out its mission to, through regulation and supervision, provide a safe and sound credit union system. NAFCU urges the Committee to support credit unions and to support H.R. 2287.

Once again, thank you for your commitment in moving these important pieces of legislation forward. We look forward to working with the Committee on these and other issues as they continue through the legislative process. If my staff or I can be of assistance to you, or if you have any questions regarding these issues, please feel free to contact myself, or NAFCU's Associate Director of Legislative Affairs, Quincy Enoch, at (703) 842-2261.

Sincerely,



Brad Thaler
Vice President of Legislative Affairs

cc: Members of the House Financial Services Committee