

December 19, 2017

The Honorable Greg Walden
Chairman
Committee on Energy
and Commerce
Washington, D.C. 20515

The Honorable Bob Latta
Chairman
Subcommittee on Digital Commerce
and Consumer Protection
Washington, D.C. 20515

Dear Chairmen Walden and Latta,

We are writing in response to your December 8 request for comments on data breach 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. The status quo is unacceptable and that is why the undersigned financial organizations and our members have supported comprehensive data protection and consumer notification legislation across several Congresses and have worked closely with Members of this Committee, the House Financial Services Committee, and many others in the House and Senate to help advance this worthy cause.

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 because 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.

In the last Congress, we supported the bipartisan Data Security Act (H.R. 2205), which was approved in the House Financial Services Committee on a strong bipartisan vote. In our view, it is critical for your Committee and the Financial Services Committee to collaboratively move forward on legislation that puts in place strong national data security and breach notification requirements and eliminates the current inconsistent patchwork of state law.

This legislation should:

- 1) Ensure that all entities are required to protect sensitive personal and financial data;
- 2) In the event of a breach, require timely notification of consumers and impacted parties that are at risk; and
- 3) Ensure compliance via appropriate Federal and State oversight, recognizing existing federal obligations for the financial industry to both secure data and notify consumers of a breach, and eliminate overlapping and inconsistent laws and regulations.

Any legislation enacted into law must ensure that all entities that handle consumers' sensitive financial data have in place a robust – yet flexible and scalable – process to protect data, which must be coupled with effective oversight and enforcement procedures to ensure accountability

and compliance. This is an important step to limit the onslaught of breaches and reduce risks to consumers and the significant costs imposed on our members from breaches. This standard should apply to all entities that handle sensitive personal and financial data in order to provide meaningful and consistent protection for consumers nationwide.

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 have enjoyed a constructive dialogue with your Committee and would welcome an opportunity to brief you and your staff in more detail on our views. We look forward to working with you on this important issue.

Sincerely,

American Bankers Association
Consumer Bankers Association
Credit Union National Association
Financial Services Roundtable
Independent Community Bankers of America
National Association of Federally-Insured Credit Unions
The Clearing House