March 7, 2018

The Honorable Blaine Luetkemeyer
Chairman
Subcommittee on Financial Institutions and
Consumer Credit
United States House of Representatives
Washington, DC 20515

The Honorable William Lacy Clay
Ranking Member
Subcommittee on Financial Institutions and
Consumer Credit
United States House of Representatives
Washington, DC 20515

Dear Chairman Luetkemeyer and Ranking Member Clay:

On behalf of America’s credit unions, I am writing regarding today’s hearing titled “Legislative Proposals to Reform the Current Data Security and Breach Notification Regulatory Regime.” The Credit Union National Association (CUNA) represents America’s credit unions and their 110 million members.

Last month, Kim Sponem, President and CEO of Summit Credit Union testified on behalf of CUNA before the subcommittee on this critical issue. We appreciate efforts by Chairman Luetkemeyer and Rep. Maloney to advance draft data breach legislation that contains the principles CUNA’s witness stated should be part of any legislation. The principles include:

- A flexible, scalable data protection standard;
- A notification regime requiring timely notice to impacted consumers, law enforcement and applicable regulators;
- Enforcement of the new national standard by the Federal Trade Commission and state attorneys general;
- Does not exclude a private right of action; and,
- Clear preemption of the existing patchwork of often conflicting and contradictory state laws.

We appreciate the Subcommittee's continued focus on this important issue. Data breaches have harmed and will continue to harm credit unions and their members. These breaches have exposed personally identifiable information (PII), including Social Security numbers, birth dates, driver’s license numbers, and payment card data including credit and debit card numbers. As such, hackers have had access to highly sensitive PII and payment card data exposing credit unions to damages in replacing members’ payment cards, covering fraudulent purchases, and taking protective measures to reduce risk of identity theft and loan fraud and assuming financial responsibility for various types of fraudulent activity related to stolen identities and misuse of PII and payment card data.
In addition to Equifax, big box retailers, other merchants, and insurance companies have all been breached in recent memory. And the risk is not limited to the private sector; many in Congress will recall significant breaches in recent years of personal information at the Office of Personnel Management and the Internal Revenue Service.

As this Subcommittee works to shed light on the impact of the data breaches and to ensure consumers are not at further risk, we encourage you and your colleagues to consider the risk to consumers’ personal data in other sectors of the economy, including the retail sector, as well as at federal agencies.

On behalf of America’s credit unions and their 110 million members, thank you for holding this hearing. We look forward to working with you on this important issue.

Sincerely,

Jim Nussle
President & CEO