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The Honorable Stephen F. Lynch
Chairman
Task Force on Financial Technology
U.S. House of Representatives
Washington, DC 20515

The Honorable Tom Emmer
Ranking Member
Task Force on Financial Technology
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Lynch and Ranking Member Emmer:

On behalf of America's credit unions, I am writing to express our views ahead of the hearing titled "Banking on Your Data: The Role of Big Data in Financial Services." The Credit Union National Association (CUNA) represents America's credit unions and their 115 million members. Thank you for holding this important hearing and including our views in the hearing record.

We appreciate the Task Force holding this important hearing to explore the role of big data in financial services and for producing discussion drafts of bills that would enhance the protection of consumers' financial data when possessed by any entity or business. Credit unions are deeply concerned that Americans' financial wellness is compromised by inconsistent privacy and security standards applied to businesses that possess, process or transport consumers' nonpublic personal information (NPI). We fear that non-depository institutions, such as data aggregators and other businesses that collect and sell data put Americans' financial well-being at risk by not protecting the data and by using it in ways that target marginalized communities. Furthermore, misuse of NPI makes it more difficult for credit unions to deliver necessary financial services to these communities.

As you know, credit unions and banks are subject to requirements of the Gramm-Leach-Bliley Act (GLBA), which imposes data protection requirements and regulates how credit unions and banks can use their members' and customers' NPI. Credit unions and banks cannot share nonpublic NPI to nonaffiliated third parties unless they provide a notice and members/customers can opt-out. Credit unions and banks must also provide annual privacy notices and disclose what NPI is shared with third parties. The consumer protections in GLBA help to ensure that NPI held at credit unions and banks is protected from theft and misuse and that consumers are well informed of how it is used for necessary business purposes.

Applying GLBA's protections to any business or entity that possess NPI is a good first step that will enhance protection for Americans' financial information. Although CUNA supports this approach, we would prefer that Congress move beyond GLBA and develop a uniform privacy and data security law that regulates data and privacy protections based on the type of data instead of the current sector-specific approach. While the sector-specific approach worked well when American's health and financial information were mainly in the possession of health care providers and depository institutions, Big Data's insatiable appetite for NPI has made regulation under the current framework difficult at best.

Although credit union members are protected by GLBA's requirements for the NPI they collect and maintain possessed by credit unions, the time has come to abandon GLBA for new laws that protect NPI no matter who possesses, transports or processes the information. CUNA supports legislation that would:

- Apply data privacy and data security standards to everyone — all business, institutions and organizations — and hold each link in the transaction journey accountable;
- Create equal expectations and protections by harmonizing inconsistencies through new legislation that protects sensitive information based on the type of information rather than the type of entity that possess it;
- Create a national standard that is the ceiling for requirements;
- Base protections on strong standards that protect data; and
- Safeguard consumer protections by providing mechanisms to address the harms that result from privacy violations and security violations, including data breaches.

We look forward to working with the Task Force on ways that new legislation can protect Americans' personal information. Thank you for your consideration of our views.

Sincerely,



Jim Nussle
President & CEO