

September 15, 2020

The Honorable Chairman Roger Wicker
Chairman
Senate Committee on Commerce, Science, and
Transportation
United States Senate
Washington, DC 20515

The Honorable Maria Cantwell
Ranking Member
Senate Committee on Commerce, Science, and
Transportation
United States Senate
Washington, DC 20515

Dear Chairman Wicker and Ranking Member Cantwell,

On behalf of America's credit unions, I am writing regarding the Committee's markup scheduled for September 16, 2020. The Credit Union National Association (CUNA) represents America's credit unions and their 120 million members.

We write this letter to express our support of the E-SIGN Modernization Act (S. 4159). As you know, the Electronic Signatures in Global and National Commerce Act ("E-SIGN Act"), was enacted in 2000, when the Internet was a simpler place in terms of capability, yet the Internet was much more complex to use as many standards were still being developed. Thus, because the E-SIGN Act was designed in the commercial Internet's infancy, updates are needed to ensure efficient commerce over today's much more mature and capable Internet.

The E-Sign Act favors document delivery requirements on paper-based processes over the equivalent digital delivery methods. The necessity of this choice was debatable 20 years ago when nascent Internet standards could make receiving electronic documents more difficult than traditional paper-based delivery methods but is now outdated and even counterproductive when digital delivery methods are mature and reliable.

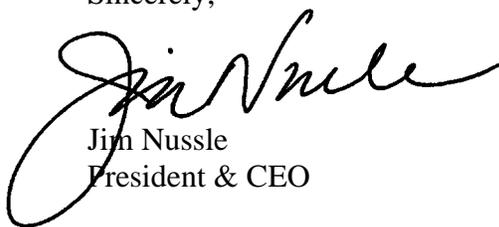
An example of the outdated nature of the E-SIGN Act is evident when a consumer joins a credit union using a smartphone app or online banking platform yet must jump through hoops to choose electronic delivery of required documents over paper-based processes delivered through arguably less-efficient methods, such as the mail. Furthermore, printing documents and using mail is less environmentally friendly than delivering documents electronically.

Concerns ran high when the E-SIGN Act passed that companies would deliver information in proprietary, incompatible, and potentially expensive formats that would compare poorly in terms of consumer experience with an envelope delivered in the mail. Although a valid concern 20 years ago, these fears never materialized. The maturing of the internet has led to compatible standards and access from a plethora of devices such as smartphones, TVs and even refrigerators was not even envisioned in 2000. Because of these advances there is little need for prioritizing physical delivery and it very unlikely that it would be part of the E-SIGN act if the was passed today.

We realize that some consumer groups will argue the E-SIGN Modernization Act will harm consumers, but this is not true. Disclosures required by law will still be provided to consumers with the substantive change being that outdated delivery requirements will be modernized. In the time of COVID, possible mail disruptions and the ubiquitous smartphone, mandating a particular delivery method is not necessary and possibly harmful to consumers. The true consumer harm is from the current laws barriers to consumer choosing electronic delivery, which is the safest and most efficient way to receive documents.

On behalf of America's credit unions and their 120 million members, thank you for holding this important hearing.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Nussle". The signature is fluid and cursive, with a large initial "J" and "N".

Jim Nussle
President & CEO