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B. Dan Berger
President & Chief Executive Officer

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

December 16, 2014

The Honorable Debbie Matz, Chairman
National Credit Union Administration
1775 Duke Street
Alexandria, VA 22314

RE: NCUA's Policies and Procedures for Safeguarding Credit Union Data

Dear Chairman Matz:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I am writing to you to urge the National Credit Union Administration (NCUA) to review its internal policies and procedures for safeguarding credit unions' sensitive information.

Yesterday, the *Credit Union Times* reported that NCUA confirmed one of its examiners lost an external flash drive containing names, addresses, Social Security numbers and account numbers of credit union members. While NCUA has indicated that the thumb drive contained no personal identification numbers (PINs) and that there has been no unauthorized access to members' accounts yet, NAFCU is deeply concerned about this breach of credit union members' personal data.

This is a serious breach that has put credit union members at risk. NCUA is a steward of credit unions' sensitive information and, as a federal regulator, must be held to the highest standard for safeguarding such data. NAFCU urges NCUA to not only carefully investigate this breach, but to also be fully transparent to the credit unions that you regulate and serve. As the agency investigates the breach, NAFCU also recommends NCUA to take this opportunity to review its internal policies and procedures for safeguarding credit unions' sensitive information, including how it notifies members of a breach.

We hope that the agency will take the steps necessary to address these concerns and we look forward to working with you in that effort. Thank you for your attention to this matter. Should

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you have any questions or would like to discuss these issues further, please contact me by telephone at (703)-842-2215.

Sincerely,

A handwritten signature in black ink, appearing to read "B. Dan Berger". The signature is stylized with a large initial "B" and a long horizontal stroke extending to the right.

B. Dan Berger

cc: Richard Metsger, Vice Chairman
Mark McWatters, Board Member
Larry Fazio, Director of the Office of Examination and Insurance