

May 1, 2015

The Honorable Randy Neugebauer
Chairman of the Subcommittee on Financial
Institutions and Consumer Credit
United States House of Representatives
1424 Longworth House Office Building
Washington, DC 20515

The Honorable John Carney
United States House of Representatives
1406 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neugebauer and Congressman Carney:

On behalf of the members of the undersigned financial services trade associations, we are writing to express our strong support for the Data Security Act of 2015 (H.R. 2205).

Your bill is especially timely in light of the recent data security breaches at major retailers that have put millions of consumers at risk. In our view, protecting consumer information is a shared responsibility of all parties involved. This important legislation ensures all entities that handle consumers' sensitive financial data have in place a robust process to protect data, which can help prevent breaches from happening in the first place.

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 banks, credit unions and other financial institutions of all sizes because our first priority is to protect consumers and make them whole. Our members provide relief to card holders that are victims of breaches, regardless of where they occur.

This important legislation would apply to all industries that handle sensitive information and would provide meaningful and consistent protection for consumers nationwide. H.R. 2205 recognizes that it is not necessary or productive to duplicate data protection and consumer notice requirements that are already in place for financial institutions under the Gramm-Leach-Bliley Act (GLBA) and subsequent regulations. Banks and credit unions already have a system in place that protects sensitive customer information and it makes sense to extend similar requirements to other industries that handle sensitive information.

The reforms in the bill would effectively replace the current patchwork of state and federal regulations for data breaches with a national law that provides uniform protections across the country. This comprehensive approach would better serve consumers by making it easier for businesses and government agencies to take the steps necessary to adequately protect all Americans from identity theft and account fraud.

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 increasingly sophisticated threats to the payments system. We look forward to working with you and your colleagues in the House on this important issue.

Sincerely,

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

CC: Members of the United States House of Representatives