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

July 7, 2015

The Honorable Lindsey Graham
Chairman
Subcommittee on Crime and Terrorism
Committee on the Judiciary
United States Senate
Washington D.C. 20510

The Honorable Sheldon Whitehouse
Ranking Member
Subcommittee on Crime and Terrorism
Committee on the Judiciary
United States Senate
Washington D.C. 20510

RE: Tomorrow's Hearing entitled, "Cyber Crime: Modernizing our Legal Framework for the Information Age"

Dear Chairman Graham and Ranking Member Whitehouse:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I write today in advance of tomorrow's hearing entitled, "Cyber Crime: Modernizing our Legal Framework for the Information Age." NAFCU appreciates your leadership in holding this important hearing and the opportunity to share our views on the topic.

NAFCU supports the strengthening of existing mechanisms in place to address cybersecurity issues such as the Financial Services Sector Coordinating Council (FSSCC) and the Financial Services Information Sharing and Analysis Center (FS-ISAC). These organizations work closely with partners throughout the government creating unique information sharing relationships that allow threat information to be distributed in a timely manner. NAFCU has also worked with the National Institute of Standards and Technology (NIST) on the voluntary cybersecurity framework, released in 2013, designed to help guide financial institutions of varying size and complexity relative to reducing cyber risks to critical infrastructure. Protecting our nation's cyber infrastructure is a key element of protecting our financial system.

NAFCU also supports S. 754, the "Cybersecurity Information Sharing Act" (CISA), approved on a near-unanimous and bipartisan basis by the Senate Select Committee on Intelligence in March. The bill would strengthen the nation's ability to defend against cyber-attacks and better protect all Americans by encouraging the business community and the government to quickly and effectively share critical information about these threats while ensuring privacy. We urge you to support this important legislation and work towards its passage in the Senate.

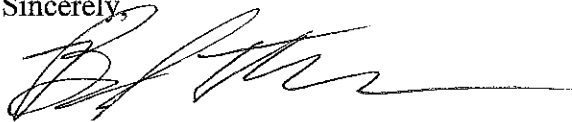
In addition to addressing cybersecurity needs, NAFCU is hopeful that Congress will also soon take legislative action to address ongoing data security breaches at our nation's retailers. Data security is an important part of the cybersecurity discussion. Every time a consumer uses a

plastic card for payment at a register or makes online payments from their accounts, they unwittingly put themselves at risk of criminals who would hack in to merchant systems and steal their information. Traditionally consumers have trusted that entities collecting this type of information will, at the very least, make a minimal effort to protect them from such risks. Unfortunately, in the wake of several headline grabbing retailer breaches in recent months, this does not seem to be the case today.

NAFCU supports S. 961, the "Data Security Act of 2015," and believes it would help address these concerns. This legislation would ensure that all entities that handle sensitive financial personal information have common-sense safeguards and processes in place to protect data and provide notice to consumers in the event of a breach. We are also pleased that it would recognize that it is not productive to duplicate data protection and consumer notice requirements that are already in place for credit unions under the *Gramm-Leach-Bliley Act*. We urge you to consider supporting this legislation and work towards its passage in the Senate.

Thank you for your attention to this important matter. We look forward to tomorrow's hearing and working with the committee as you move forward in addressing cyber and data security issues. If my staff or I can be of assistance to you, or if you have any questions regarding this issue, please feel free to contact myself, or NAFCU's Director of Legislative Affairs Jillian Pevo at (703) 842- 2836.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Thaler', with a long horizontal flourish extending to the right.

Brad Thaler
Vice President of Legislative Affairs

cc: Members of the Senate Judiciary Subcommittee on Crime and Terrorism