



## IBA Talking Points Data Security Legislation

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### **Issue Update**

Data security breaches continue to put millions of consumers at risk, and protecting consumer information is a shared responsibility of all parties involved. While robust federal data security requirements for banks have been in place for nearly 30 years, other business sectors lack such requirements and have been the source of multiple large-scale breaches.

The House Financial Services Committee is furthest ahead in crafting legislation to address data breaches. Many in the industry have been working closely with Committee leadership and staff to encourage them to move forward on a comprehensive solution, but jurisdictional issues between committees and retailer opposition remain a major challenge. We must urge Congress to overcome the current impasse and act.

### **Why It Matters**

The application of robust data security standards by all entities that handle sensitive personal and financial information is critical. Stopping incidents such as the Equifax, Sonic, Hyatt, Target, Home Depot and other breaches is critical for consumers, and also important to bankers, who often have the closest relationships with those affected. Data breaches impose significant costs on banks of all sizes, which prioritize protection of consumers and incur considerable expense rectifying the errors of other industries.

### **Recommended Action Item:**

Congress must move forward on comprehensive data security legislation that includes these key elements:

- *Broad application:* Legislation must ensure that all entities that handle consumers' sensitive financial data have robust processes in place to protect data, which can help prevent breaches from happening in the first place.
- *Clear preemption:* Legislation must put in place one strong national data security and breach notification standard, eliminating the current inconsistent patchwork of state law.
- *GLBA recognition:* Legislation must recognize the strong data security standards already in place for the financial services sector under the Gramm-Leach-Bliley Act (GLBA) by applying standards to all entities that store consumer data.
- *Shift liability:* The liability for costs associated with a data breach, including the cost of card reissuance, should be placed on the party that experienced the breach.

### **For more information:**

Contact the Indiana Bankers Association Government Relations Team of [Dax Denton](#), [Eric Augustus](#) or [Josh Myers](#) at 317-387-9380.

### **Additional resources:**

- American Bankers Association: <https://bit.ly/2zwRqk2>
- Independent Community Bankers of America: <https://bit.ly/2PGVI2t>