

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: March 2, 2018

Subject: March 7, 2018, Financial Institutions and Consumer Credit Subcommittee hearing “Legislative Proposals to Reform the Current Data Security and Breach Notification Regulatory Regime”

The Financial Institutions and Consumer Credit Subcommittee will hold a hearing entitled “Legislative Proposals to Reform the Current Data Security and Breach Notification Regulatory Regime” at 2:00 p.m. on Wednesday, March 7, 2018, in Room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following invited witnesses:

- Ms. Sara Cable, Director, Data Privacy & Security, and Assistant Attorney General, Office of Attorney General Commonwealth of Massachusetts
- Mr. Francis Creighton, President and CEO, Consumer Data Industry Association
- Mr. John S. Miller, Vice President, Global Policy and Law, Information Technology Industry Council
- Honorable Tim Pawlenty, President and CEO, Financial Services Roundtable

This hearing will examine the following legislative proposals.

H.R. 4028, the “Promoting Responsible Oversight of Transaction and Examinations of Credit Technology Act of 2017”

Introduced on October 12, 2017 by Representative Patrick McHenry, H.R. 4028 amends the Federal Financial Institutions Examination Council Act of 1978 to require supervision and examination of large consumer reporting agencies regarding cybersecurity measures.

H.R. 4028 also amends the Fair Credit Reporting Act (FCRA) to allow consumers to request that a consumer reporting agency place a security freeze on their reports, and includes provisions for fees and exceptions from such fees. This legislation also amends the FCRA to prohibit the use by consumer reporting agencies of a consumer's Social Security number in a consumer report or as a method to identify the consumer after January 1, 2020.

H.R. _____, the “Data Acquisition and Technology Accountability and Security Act”

To be introduced by Representatives Blaine Luetkemeyer and Carolyn Maloney, this discussion draft of proposed legislation would establish a national data security standard and a national data breach notification standard with a federal enforcement mechanism overseen by the Federal Trade Commission. The draft would replace the current patchwork of state and federal regulations for data breaches with a national law that provides uniform protections. This draft establishes a technology-neutral “reasonableness” standard for data security. The standards would be flexible and commensurate to the covered entity's size and complexity, activities, sensitivity of the information it maintains, and the cost of available protections. Additionally, the draft includes requirements for consumer and law enforcement notifications if there has been an occurrence of a breach of data security that contains personal information.

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