



Overview of the Data Privacy Act of 2023

House Financial Services Committee Republicans
Chairman Patrick McHenry

Modernizes the Gramm-Leach-Bliley Act Using a Technology-Agnostic Approach

This bill modernizes GLBA to better align with our evolving technological landscape. Advances in technology have innovated the financial system and the way in which consumers interact with financial institutions, including nonbank institutions. The consumer protections contained in the bill will apply seamlessly to future innovation and new technologies.

Putting Control Back in the Hands of the Consumer

The bill ensures consumers control how their personal information will be used beyond financial institutions. The bill empowers consumers to understand how their data is being collected and used by a service provider when they agree to the provider's privacy policy. In addition, the bill ensures consumers have the right to terminate collection of their data, and/or request deletion of their data, at any time.

Data Minimization

The bill protects against the misuse or overuse of consumer nonpublic personal information. Under the bill, entities are directed to disclose to consumers why they are collecting certain pieces of data, and only use data for its stated purpose. Covered entities must provide consumers with an opportunity to opt out of the data collection if it is not necessary to provide the product or service offered by the entity.

Informed Choice and Transparency

The bill empowers consumers by requiring privacy terms and conditions to be transparent and easily understandable.

Consumer disclosures are critical to understanding what data is collected; the manner in which the data is collected; the purposes for which the data will be used; who has access to the data; how an entity is using the data; where the data will be shared; data retention policies of the entity; and the rights associated with that data for uses inconsistent with stated purpose.

Preemption

The bill provides consistency across the country with respect to understanding how downstream entities are collecting and using personal information. A national standard will reduce compliance burden and provide certainty to both consumers and entities that handle their financial data.