

June 8, 2017

The Honorable Lloyd Smucker
United States House of Representatives
516 Cannon House Office Building
Washington, DC 20515

Dear Representative Smucker:

We are writing to offer our assistance in addressing concerns you have raised about data security practices in the consumer reporting industry and to urge the withdrawal of your amendment to the Financial CHOICE Act.

As you know, your staff has been working with Consumer Data Industry Association (CDIA), the U.S. Chamber of Commerce, and member companies since your amendment was noticed. We have reiterated the fact that the industry is federally regulated, specifically in Title V of the Gramm-Leach-Bliley Act and the Fair Credit Reporting Act (FCRA). The FCRA requires credit reporting agencies (CRAs) to provide a consumer disclosure, only if the consumer furnishes "proper identification." CRAs, nationwide have robust methods of identifying consumers that can often include "out-of-wallet" questions. These strong authentication techniques are designed to make sure the consumer disclosure is not going to the wrong person. Further, our members work with their regulators, the Consumer Financial Protection Bureau (CFPB) and Federal Trade Commission (FTC), to ensure these protections are adequate.

Moreover, CRAs are also subject to the data security standards in Title V of the Gramm-Leach-Bliley Act, which are the same robust standards applied to financial institutions, and are enforced on CRAs by the CFPB and FTC. CRAs are bound by law, regulations, and are regularly examined by their regulators. We are not aware of any concerns that have been raised by federal regulators on this issue. Not only are CRAs bound by law to have strong protections, but it is simply smart business to adhere to the highest cybersecurity standards to secure the data with which we have been entrusted.

While we understand that your amendment is "just" a Sense of Congress, we are sure you recognize that such a "Sense of Congress" is meaningful, otherwise you would not be offering it on the floor of the House of Representatives. Your amendment, should it one day have the force of law, could actually stifle innovation in how CRAs protect consumer data. CRAs are consistently evaluating authentication tools (such as tokens or passwords) that might not meet someone's definition of multi-factor authentication, but these new technological advances could be as strong as or stronger than multi-factor authentication.

The consumer reporting industry is adequately regulated and goes to great lengths to ensure consumer data is protected. We strongly believe Congress should not be in the business of dictating specific security methodologies. This is especially true since the current federal paradigm of setting broad goals in law and then having individual regulators enforce and supervise, has worked for

almost two decades. Congress should not be dictating specific methodologies, particularly when those methodologies do not address the specific contours of the industry on whom they would apply.

We look forward to working together on the shared goal of consumer data protection, however, do not think this is the proper vehicle to do so. For that reason, we oppose the amendment and urge you to reconsider it.

Sincerely,

Consumer Data Industry Association
U.S. Chamber of Commerce