



NCRA Position on Data Security and Notification

The National Consumer Reporting Association (NCRA) is a national trade organization of consumer reporting agencies and associated professionals that provide products and services to hundreds of thousands of credit grantors, employers, landlords and all types of general businesses. NCRA members are committed to protecting all of the consumer information they collect and maintain.

NCRA supports federal legislation that establishes a uniform, national standard for investigation and notification of data security breaches. NCRA believes that any proposed data security legislation must complement, but not otherwise duplicate or override, existing legislative and regulatory schemes that safeguard sensitive consumer information against identity theft.

NCRA looks forward to working with Congress to ensure that any proposed data security legislation creates targeted and meaningful consumer protection and notification that aids in identifying and protecting against identity theft, but does not disrupt or impede the economic health of the financial services marketplace.

NCRA applauds the bi-partisan effort of the Financial Data Protection Act of 2005 (HR 3339 introduced by Reps. LaTourette (R-OH), Hooley (D-OR), Castle (R-DE), Pryce (R-OH), and Moore (D-KS) and believes that this legislation strives to provide meaningful protection to consumers, but is concerned about the impact of the bill's file monitoring requirement on small business, including many of its member credit reporting agencies.

NCRA is also evaluating other data security bills pending before Congress.

Key Points:

- The current collection of state data security breach notification laws is confusing, burdensome and provides undue administrative costs on small business providers of financial services.
- Data security breach legislation should require consumer notification when the breach is likely to result in harm to the consumer. Legislation should not attempt to duplicate or override existing legislative and regulatory schemes, such as Title V of the Gramm-Leach Bliley Act and the Fair Credit Reporting Act, which already require financial institutions to implement safeguards and privacy policies.
- Data security legislation should not require small businesses to provide fraud mitigation to consumers, known as "file monitoring" provisions, because file monitoring has very questionable value in fraud prevention, creates undue administrative burdens, and significant costs for small businesses, such as independent credit reporting agencies, while failing to provide a meaningful benefit to consumers.



Founded in 1992, the National Credit Reporting Association, Inc.

(NCRA) is a national trade organization of consumer reporting agencies and associated professionals that provide products and services to hundreds of thousands of credit grantors, employers, landlords and all types of general businesses.

Headquartered in the Chicago suburb of Bloomingdale, Illinois, NCRA serves members in the United States and Puerto Rico. NCRA's membership includes two of every three mortgage credit reporting agencies in the United States that can produce a credit report that meets the requirements of Fannie Mae, Freddie Mac and HUD for mortgage lending. Additionally, our members produce reports for employment screening and tenant screening.

NCRA members must agree to comply with all federal and state applicable laws, including the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act, and the Gramm-Leach-Bliley Act. These laws define the appropriate procedures for obtaining consumer and credit information, establishing the responsibilities and privacy protocols of the users and furnishers of consumer information.

NCRA's Online Study Guide, Employee Certification Program, and Comprehensive Information Security Program set one of the most stringent "Best Practices" standards in the industry to assist its members in adhering to the Federal regulations. NCRA's members are committed to solid business practices, including agreement with the associations Code of Ethics.

NCRA shares its knowledge and understanding of the industry with its members through the Annual Conference, Educational Tele-Seminars, The Credit Reporter and The Advocate publications. For more information visit us at www.ncrainc.org.

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