

Chair Delores Kelley  
3 East  
Miller Senate Office Building  
Annapolis, Maryland 21401

**SB160: Financial Institutions - Security Questions and Measures**  
**Testimony on Behalf of: MD|DC Credit Union Association**  
**Position: Oppose**

Chairwoman Kelley, Vice-Chair Feldman and Members of the Committee:

On behalf of the MD| DC Credit Union Association and the 84 Credit Unions and their 1.9 million members that we represent in the State of Maryland, we appreciate the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to promote thrift and provide access to credit for provident and productive purposes for our members. We respectfully oppose this bill.

As a general matter, the safety of our members comes first, and credit unions take great care to protect member data. The language in this bill reflects the standard practice in the financial services industry. Credit union members are generally provided with two or more security questions to choose from and many credit unions do not have “what is your mother’s maiden name” as an option. However, this bill is problematic for credit unions because we rely heavily on vendors to provide many of the security platforms and services used by the members. If a vendor serves credit unions in multiple states and must modify their platform in the State of Maryland, as this bill may require, it could increase the costs to credit unions, or the vendor may decide not to conduct business in Maryland at all.

We fully understand the intent of the legislature with the introduction of this bill; however, we do not think that business decisions should not be micromanaged by statute. It is one thing to require that credit unions implement policies and procedures that protect their members and require supervision and examination, as is the current law. It is a more concerning level of micromanagement to pick and choose what questions are appropriate for financial institutions to use to protect data.

Credit unions are subject to strict standards pertaining to data protection, and our consumer-facing data platforms are included in the examinations. If an examiner determines that our standards do not sufficiently protect our members, they may issue a prompt corrective action order; an order to cease and desist, which requires a party to take action (or refrain from taking action), including making restitution; an order assessing civil money penalties; documents of resolution, letters of understanding or; agreement or consent order.



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Due to our close working relationship, we think it is more appropriate for our primary regulators to issue guidance on these types of issues as they deem necessary.

Please do not hesitate to contact me at 443-325-0774 or [jbratsakis@mddccua.org](mailto:jbratsakis@mddccua.org), or our VP of Advocacy, Rory Murray at [rmurray@mddccua.org](mailto:rmurray@mddccua.org) should you have any questions. Thank you for your consideration.

Sincerely,

A handwritten signature in blue ink that reads "John Bratsakis". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

John Bratsakis  
President/CEO  
MD|DC Credit Union Association  
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