



MD|DC
Credit Union Association

Chairman Derek Davis
Rm 231
House Office Building
Annapolis, Maryland 21401

HB471: Financial Institutions - Security Questions and Measures
Testimony on Behalf of: MD|DC Credit Union Association
Position: Informational Testimony Only

Chairman Davis, Vice-Chair Dumais, and Members of the Committee:

The MD|DC Credit Union Association, on behalf of the 77 Credit Unions and their 2.2 million members that we represent in the State of Maryland, appreciates the opportunity to testify on this legislation. Credit Unions are member-owned, not-for-profit financial cooperatives whose mission is to educate and help members achieve financial well-being.

We do not oppose this bill's substance, as it won't likely affect our members; however, we would caution the General Assembly against passing laws of such a granular nature. Items of such specificity should remain under the regulator's purview, who has more flexibility to make rules and decisions related to the adequacy of the standards implemented in every aspect of the credit union. Regulators are subject matter experts who possess detailed knowledge about how the industry they regulate operates. Under the current framework, credit unions are subject to strict supervision and examinations on data protection, and our consumer-facing data protection platforms are included in the examinations. If an examiner determines that our standards do not sufficiently protect our members, they may implement new rules, issue a prompt corrective action order, an order to cease and desist, or several other protective measures.

In the small chance that this bill does pose a problem for a credit union, because they may rely on a vendor to provide this service, the regulator would be the appropriate decision-maker as to how the credit union should proceed. For the sake of flexibility and discretion in the supervisory process, we request that any issues that are this specific be left to the regulator.

Please reach out to me at jbratsakis@mddccua.org or our VP of Advocacy, Rory Murray, at rmurray@mddccua.org with comments or questions.

Thank you!

Sincerely,

John Bratsakis
President/CEO
MD|DC Credit Union Association