

February 28, 2023

The Honorable Patrick McHenry  
Chair  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

The Honorable Maxine Waters  
Ranking Member  
House Financial Services Committee  
2129 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman McHenry and Ranking Member Waters,

The Bank Policy Institute (BPI) is writing to provide our views in support of legislation scheduled for markup in Committee this week, notably the Data Privacy Act of 2023 and the OFAC Outreach and Engagement Capabilities Enhancement Act.

### **The Data Privacy Act of 2023**

BPI is writing to welcome the introduction and Committee consideration of the Data Privacy Act of 2023. Since the adoption of the Gramm-Leach-Bliley Act in 1999, banks have been held to the strongest data privacy and security rules in the country, and the requirements imposed by that law have provided customers with strong protections in these areas over the past two decades. However, since the GLBA's initial adoption, technological advances, financial product innovation and customer expectations have evolved. Given these changes, now is the right time to modernize that landmark legislation.

The Financial Data Privacy Act strikes a needed balance between expanding the rights of individuals who use bank products, services or technologies by introducing additional federal protections such as access to certain personal information held by financial institutions and data minimization requirements. The bill creates those rights at a federal level with a strong national framework that protects customers regardless of where in the United States they live or conduct financial transactions. This will promote greater access to bank and financial services products and clarity regarding customers' rights by creating consistent privacy and data protection standards across the country.

BPI believes that additional changes to this legislation would further improve this bill. For example, extending the preemption provision to include state data breach notification requirements, clarifying the notice requirement around inactive accounts, and clarifying sharing requirements around anonymized or aggregated data that is not identifiable as nonpublic personal information would promote strong data privacy standards while allowing banks and other financial institutions to best serve their customers.

### **The OFAC Outreach and Engagement Capabilities and Enhancement Act**

BPI has long supported efforts to bolster public-private partnerships to combat money laundering and other illicit uses of the financial sector. To that end, BPI supported the OFAC Exchange Act in the 117<sup>th</sup> Congress and is pleased to offer support to the latest draft that would direct the Government Accountability Office to conduct an outreach assessment of the Office of Foreign Assets Control. BPI member banks work closely with the Treasury Department to prevent sanctions evasion, combat money laundering, terrorist financing, and organized crime and promote national security. The legislation

would bolster those efforts and ensure that partnerships between financial institutions and the Treasury Department offer high-quality information to better identify risks to the financial sector and support national security priorities.

BPI looks forward to working with Congress to further refine these bills as they move through the legislative process.

Thank you for leadership on these important issues.

Sincerely,

Bank Policy Institute