

## H.467 Data Brokers

- Banks do collect data
- This is in large part due to regulations that require the industry to know their customer
- As long as a "data broker" is defined as an entity that sells to another non-affiliated entity (as it appears to be defined in the bill), bankers should be safe from the bill's reach
- Prefer to have a clear exemption
- Regulations that govern the use of data collected by banks
  - Reg P
  - GLBA
    - Financial institutions are required to: ensure the security and confidentiality of customer information; protect against any anticipated threats or hazards to the security or integrity of such information; and protect against unauthorized access to or use of customer information that could result in substantial harm or inconvenience to any customer.
    - The law requires these institutions to explain how they use and share your personal information. The law also allows you to stop or "opt out" of certain information sharing.
    - The law requires that financial institutions describe how they will protect the confidentiality and security of your information.
  - State of Vermont: Privacy of Consumer Financial and Health Information Regulation IH-2001-01; limits disclosure of nonpublic financial information; requires that consumers opt in before a financial institution can share their non-public financial information.
  - HIPAA
  - FACT Act
  - FCRA
  - 12 CFR part 332
  - Privacy Handbook
    - <https://www.fdic.gov/regulations/examinations/financialprivacy/handbook/index.html>
- We currently do not have any practices of sharing non-customer information with any third party. We have joint marketing arrangements with third parties to share information but we would have a contract and we give the consumer ample time to opt-out of that sharing.
- Customer Identification is part of the Bank Secrecy Act
- Proposed language: a data broker does not include a financial institution as defined in Title 8 11101 (32).