



# Maine Credit Union League

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In Opposition to LD 1977  
**An Act to Create the Data Privacy and Protection Act**  
Joint Committee on Judiciary  
*October 17, 2023*

Good morning, Senator Carney, Representative Moonen, and distinguished members of the Joint Committee on Judiciary,

My name is Ellen Parent, I serve as the Director of Compliance at the Maine Credit Union League and I am here to submit testimony on behalf of the League. The Maine Credit Union League is the trade association for Maine's 49 credit unions and over 725,000 members statewide. We respectfully submit the following testimony **in opposition to LD 1977**.

For many years the League has opposed new privacy laws at the state level. Credit unions work with individuals across the country and a patchwork of laws varying from state-to-state harms consumers and poses a compliance quagmire for enterprises. Unfortunately, Congress has not seen fit to act and the protection of individuals has fallen to the states. For this, we appreciate the sponsor's dedication to information privacy, unfortunately this bill would exacerbate the problem of a patchwork of legislation.

The bill in question would make Maine an outlier among the states that have passed privacy legislation, LD 1977 includes a private right of action and does not include an exemption for financial institutions subject to the Gramm-Leach-Bliley Act or for the Fair Credit Reporting Act.

The credit union system takes our commitment to protect the personal information of our members very seriously. This commitment is rooted in both our responsibility to our member-owners and perhaps more importantly in today's context, in accordance with the Gramm-Leach-Bliley Act of 1999 (GLBA).<sup>1</sup> Though the GLBA already applies to all federally chartered credit unions, Maine's Title 9-B also applies this strict privacy framework to state financial institutions assuring a strong proactive approach to data privacy and security.<sup>2</sup> States like Connecticut and California that have already legislated on this issue have provided an exemption for either the institutions or the data subject to GLBA. We hope the committee would see fit to provide the same in Maine. As we increase consumer protections, more consistency with other state and federal regulations makes it easier it is to protect our members wherever they may reside.

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<sup>1</sup> 15 U.S.C. §§ 6801-6809, §§ 6821-6827

<sup>2</sup> 9-B M.R.S. §241(13)

Financial institutions are furnishers under the Fair Credit Reporting Act (FCRA). There is significant societal value to having a full picture of a consumer's credit history, a more complete credit report allows credit to be more available and to reduce risk. Furnishers are required under federal law to report certain personal information. Without an exemption for personal information shared under FCRA, the credit reporting system would be subject to the same right of deletion and restrictions on sharing as all other personal information, making it extremely difficult to rely on the information in a credit report. Furthermore, the organizations that are obligated under federal law to furnish accurate information to credit reporting agencies would be placed in the unfortunate situation of being in violation of either state or federal law.

As with the Gramm-Leach-Bliley exemption, every state that has adopted a comprehensive privacy law, has provided an exemption for information shared subject to the Fair Credit Reporting Act.

LD 1977 also provides for a private right of action. No state has adopted an unlimited private right of action as in LD 1977. California has a limited private right of action, but statutory damages in California are \$500 to \$750 per occurrence, LD 1977 would institute statutory damages of a minimum of \$5,000 per occurrence. Credit unions are already subject to federal and state audits on the security of our members' data, and we are concerned that this additional enforcement mechanism would create confusion and expose our member-owned institutions to additional costs that would decrease our ability to provide better rates and dividends to our members. We want to ensure credit unions in Maine can still provide these benefits to their members by maintaining the robust enforcement ability of the Bureau of Financial Institutions and National Credit Union Administration.

Information privacy is important, and we support the concept of this bill. However, the differences between this bill and the existing body of privacy law, namely the lack of exemptions for financial institutions and the private right of action, make it impossible for the League to support this bill in its current form.

We thank the committee for its dedication to this issue and look forward to continuing to work together towards a solution.