



**Statement of the Massachusetts Bankers Association
Regarding S.227, An Act Establishing the Massachusetts Information Privacy Act
Joint Committee on Economic Development and Emerging Technologies
October 19, 2023**

On behalf of our more than 120 commercial, savings and cooperative banks and federal savings institution members with more than 72,000 employees located throughout the Commonwealth and New England, the Massachusetts Bankers Association (MBA) appreciates the opportunity to provide our comments regarding **S.227 – An Act Establishing the Massachusetts Information Privacy Act**.

The banking industry is all too familiar with third-party data breaches and the impact they have on our customers and our institutions. Our member institutions take their responsibility to protect customer information extremely seriously – spending millions of dollars each year to ensure that sensitive personal information does not fall into the hands of bad actors and criminals. Banks are also highly regulated and are subject to regular examinations by state and federal regulators to ensure their information security standards are robust.

Unfortunately, data breaches are not going away and all industries along with state and federal governments must adapt and do more to protect the sensitive personal data we maintain for our customers, employees and others using our services. As we noted above, the banking industry in Massachusetts spares no expense with its collective investments in technology and other fraud-prevention resources to ensure the safety and security of our customers’ information as well as the overall payments system. Banks across Massachusetts have replaced tens of thousands of debit and credit cards, devoted thousands of overtime hours to research account activity, absorbed millions in fraud losses and handled on-going customer inquiries regarding data security incidents all in the name of customer service.

For more than a decade, our industry has been a consistent voice for strong consumer protections regarding information security and penalties for identity theft. For decades, banks have carefully guarded their customers’ privacy and since 1999, have been subject to stringent privacy and data security standards implemented by Title V of the federal Gramm-Leach-Bliley Act (GLBA). While we have concerns with several proposed provisions in **S.227** and the potential chilling effect it could have on local businesses if adopted, the Association is primarily concerned with the removal of GLBA exemption language that was present in previous versions of similar bills in past sessions that included an exemption at the entity level for financial institutions, not only for personal information.

The past inclusion of the entity-level exemption not only served as an acknowledgment of the industry’s commitment to information security but also a recognition that the banking industry is not unnecessarily disrupted by the piling-on of unnecessary regulations that seek a goal that is already being achieved by the financial industry. Other states, including, [Connecticut](#), [Colorado](#), and [Virginia](#), have previously considered and included similar exemption language when expanding consumer data privacy protection legislation in their states.

While appreciative of GLBA data-level exemption language already included in S. 227, MBA recommends the language under subsection (d) 15 of Section 3, or wherever appropriate, and in any other similar bills the Committee may advance this session, be amended to read:

(This chapter shall not apply to) “a financial institution subject to Title V of the federal Gramm-Leach-Bliley Act of 1999 (15 U.S.C. §6801 et seq.), and the implementing regulations promulgated thereunder.”

Thank you for considering our comments on **S.227 – An Act Establishing the Massachusetts Information Privacy Act**. We look forward to working with the Committee on this bill, and other policy initiatives in the future.