



Alabama Credit Union League

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Alabama Credit Union League Introduces Data Security Legislation

Birmingham, AL – The Alabama Credit Union League (ACUL) has introduced a bill in the Alabama Legislature in order to protect consumers' financial data. The bills are HB 542 in the House of Representatives introduced by Representative Tammy Irons and SB 382 in the Senate sponsored by Senator Parker Griffith.

"This is going to be a difficult, but extremely significant fight for credit unions and the 1.7 million members they serve," said ACUL President/CEO Gary Wolter. "Credit unions go to great lengths to ensure the security of their members' data and account information, but other parties must also take responsibility."

The legislation contains three major provisions to address the growing problem of sensitive financial information being compromised:

1. *Requires that entities that experience a data breach must notify consumers. Alabama is among a shrinking number of states that has no notification requirement, leaving financial institutions and consumers with inadequate information to protect accounts after a breach;*
2. *Prohibits the retention of sensitive consumer financial data, such as the content of the magnetic stripe on a plastic card, the PIN number, or the card validation code. This requirement follows the existing standards from the Payment Card Industry Data Security Standard;*
3. *Requires any entity that experiences a breach and held such prohibited data must reimburse the issuing financial institution for the cost of reissuing cards and / or taking appropriate steps to protect accounts at risk.*

"This legislation will help ensure that anyone who uses this most sensitive account information must be as careful with it as are credit unions," stressed Wolter. "Essentially, the bill protects consumers and ensures a fair environment for everyone because when someone other than the consumer's financial institution stores all the keys to a person's account, it creates problems. It is not a question of if there will be a serious breach, only when and how bad will it be."

The Alabama Legislative session began on February 5th, will last 30 legislative days and is expected to end in June.

The Alabama Credit Union League represents the state's 154 credit unions and their 1.7 million members. Credit unions are not-for-profit financial institutions providing affordable financial services to people from all walks of life. www.acul.com

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