

United States House of Representatives
Committee on Financial Services
Washington, D.C. 20515

January 10, 2014

The Honorable Jeb Hensarling
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Hensarling:

The Target Corporation recently acknowledged that from November 27 to December 15, 2013, hackers stole credit and debit card information including card numbers, expirations dates and security codes for 40 million accounts, and other personally identifiable information for as many as 70 million customers. Accordingly, we respectfully request that you convene a full Financial Services Committee hearing to review the recent data breach including the adequacy of current consumer financial data security protection laws, and what Congress and industry stakeholders can proactively do to ensure the future security of consumers' card information.

We note that the Committee's oversight plan for the 113th Congress states that "building on the Committee's long-standing role in developing laws governing the handling of sensitive personal financial information about consumers including the Gramm-Leach-Bliley Act and the Fair and Accurate Credit Transactions Act (FACT Act), the Committee will continue to evaluate best practices for protecting the security and confidentiality of such information from any loss, unauthorized access, or misuse."

The Target breach—which industry analysts say is among the largest recorded financial data security breaches—raises important questions about what merchants who suspect a data breach has occurred must disclose, when they must disclose it, and who has the right to be notified. Quick notification of a breach increases the likelihood that consumers can take measures to protect themselves from fraudulent activity and is similarly critical to successfully reducing the ultimate fraud losses that financial institutions incur.

It is incumbent upon our Committee to explore whether industry data protection standards are appropriate, and examine whether heightened regulatory standards are needed to more effectively protect consumers. A hearing would provide members the opportunity to hear from regulators and the industry to learn what steps merchants, financial institutions, payment processors, card networks and others should take to reduce vulnerabilities in the payment system, and strengthen measures that protect consumers from fraud.

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Consumers deserve reasonable assurances that the use of their credit or debit card will not jeopardize their financial and other personally identifiable information. This is increasingly important as companies continue to amass vast amounts of consumers' sensitive personal information.

We appreciate your attention to this request.

Sincerely,

Melanie Waters

Chris B. Kress

Lori Sewell

Gay C. Peters

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Kyle Egan

Ed Palmiter

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Hugory Amador

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