

# Congress of the United States

House of Representatives

Washington, DC 20515-2107

## LET'S CLOSE THE "PEEPHOLE" TO PRIVATE FINANCIAL RECORDS SUPPORT THE MARKEY-BARTON-DINGELL-INSLEE-STUPAK AMENDMENT DURING UPCOMING RULES COMMITTEE AND FLOOR DELIBERATIONS ON H.R. 10

June 29, 1999

Dear Colleague:

Shouldn't you have a say if your bank, your insurance company, or your stockbroker wants to share your personal information with another company? Shouldn't **you** be the one to decide whether **your** personal digital dossier is put up for sale?

It sounds reasonable enough, but the fact is that today you have very little control over the distribution of your own financial records. Financial institutions benefit from obsolete laws and rules that permit information that you volunteered for one purpose to be re-used, re-transferred or re-sold for other purposes without your permission. You think you are dealing with a "privacy keeper" when, in fact, financial service companies of all sizes and shapes are now becoming efficient "information reapers" – that are largely free to sell or transfer your most personal financial information to their affiliates, or even to unaffiliated telemarketing firms.

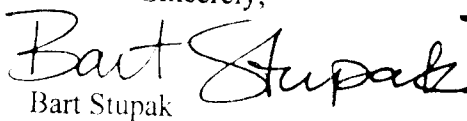
Concerns about financial privacy are heightened by the increase in bank mergers with insurance companies and Wall Street investment firms – mergers that will only accelerate if H.R. 10 becomes law. Once they merge, these financial institutions are under no restrictions from sharing even otherwise protected customer information from division to division. For instance, your life insurance records could be made available to the loan officer considering your mortgage application. A grieving spouse becomes a target for investment pitches as the financial "holding company" looks for "synergies" by sharing her insurance information with a securities affiliate.

This week, the House will be taking up H.R. 10, a bill to modernize the financial services industry. This is the ideal vehicle for common-sense measures to protect consumers' privacy. During the Commerce Committee's markup of this legislation, we supported an amendment (which the Committee adopted by a unanimous voice vote) which would give consumers the right to say "No" to the disclosure of their personal financial information. However, this bipartisan "opt-out" compromise provision has been dropped by the Rules Committee and replaced with an alternative that fails to give consumers any meaningful right to say "No". We also understand that a substitute weakening amendment – which was neither considered by or approved by either the Commerce or Banking Committees – is being prepared by members of the Rules Committee which reportedly would provide only for disclosure and limited "opt-out" rights for sales or transfers of information to third parties for marketing purposes, while allowing the consumer no right whatsoever to say no to transfers of information within affiliates of a financial services holding company, and no right to say no to transfers of information to third parties for purposes other than marketing.


We strongly urge you to reject such half-measures, which fail to adequately protect our constituent's fundamental right to financial privacy. We also hope you will support us when we seek to offer an amendment, based on the Commerce-Committee compromise amendment, which would give consumers a meaningful right to say "no" regardless of whether information is being transferred to an affiliate or to a third party. Should you have any questions about our amendment, please feel free to contact Jeff Duncan (Rep. Markey) at x52836 or Beth Jafari (Rep. Barton) at x52002.

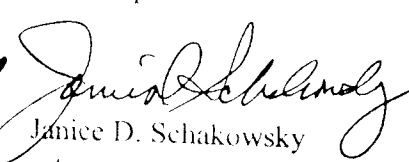
Sincerely,

  
Edward J. Markey

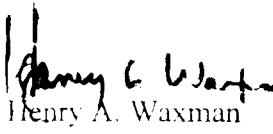
  
Bart Stupak

  
Joe Barton

  
John D. Dingell

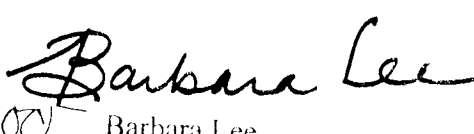
  
Janice D. Schakowsky

  
Jay Inslee

  
Henry A. Waxman

  
Bill Luther

  
Anna G. Eshoo

  
Barbara Lee