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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

June 11, 2019

GREGG RICHARD, STAFF DIRECTOR
LAURA SWANSON, DEMOCRATIC STAFF DIRECTOR

Mr. Bob Liodice
Chief Executive Officer
Association of National Advertisers
10 Grand Central
155 E. 44th Street
New York, NY 10017

Dear Mr. Liodice:

On May 7, 2019, the Senate Banking Committee held its first hearing on “Privacy Rights and Data Collection in a Digital Economy.” Earlier this year, the Senate Banking Committee invited feedback on the collection, use and protection of sensitive information by financial regulators and private companies in light of the immense growth and use of data for a multitude of purposes across the economy. As the Banking Committee moves forward with additional hearings to build the record for legislation and you declined our invitation to testify at our hearing today, it is important to understand how data brokers and other companies acting in a similar capacity collect data on individuals or groups of individuals, and whether it is made available for use in ways that could have big implications for individuals’ financial lives, including to establish eligibility for, or the marketing of, a product or service related to credit, insurance, employment or housing.

In 2014, the Federal Trade Commission issued a report entitled, “Data Brokers: A Call for Transparency and Accountability.” The report observed that data brokers collect vast data from numerous sources on nearly every U.S. consumer; consumers lack knowledge about data collection activities and sharing by data brokers; and data brokers may make potentially sensitive inferences about individuals. The report also explicitly acknowledges that “the lack of transparency among companies providing consumer data for credit and other eligibility determinations led to the adoption of the Fair Credit Reporting Act.” As the economy becomes increasingly digital, the amount and types of data collected, and how it is collected, shared and used continues to evolve. As a result, it appears that there are some companies, such data brokers, that may serve a function similar to the original consumer reporting agencies.

Accordingly, please respond to the following questions as soon as possible.

- 1) Do data brokers have any information bearing on an individual’s (or group of individuals’) creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living that is used (either by the data broker or any unaffiliated third party) to establish eligibility for, or in the marketing of, a product or service related to (1) credit, (2) insurance, (3) employment, or (4) housing?

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- 2) How do data brokers ensure that information bearing on an individual's (or group of individuals') creditworthiness, credit standing, credit capacity, character, general reputation, personal characteristics or mode of living is not used in violation of the Fair Credit Reporting Act?
- 3) To what extent are data brokers covered by the European Union's General Data Protection Regulation (GDPR) and how has the data broker industry reacted since GDPR has become effective, including changes made to data privacy practices and policies?
- 4) What safeguards do data brokers put in place to protect individuals' data?
- 5) What steps should Congress take to:
 - a) Ensure individuals are more informed about the collection, sharing or use of their data by data brokers;
 - b) Give individuals access to the data collected about them by data brokers; and
 - c) Clearly provide individuals the opportunity to correct inaccuracies in their data held, used or shared by data brokers, or to opt out of data brokers sharing their data with others for use in marketing, including opting out seamlessly across data brokers holding the same or similar data?



Mike Crapo
Chairman

Sincerely,



Sherrod Brown
Ranking Member