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December 5, 2022

The Honorable Jon Ossoff  
United States Senate  
Washington, D.C. 20510

The Honorable Cynthia M. Lummis  
United States Senate  
Washington, D.C. 20510

The Honorable Mark R. Warner  
United States Senate  
Washington, D.C. 20510

Dear Senators Ossoff, Lummis, and Warner:

On behalf of ICBA and the nearly 50,000 community bank locations we represent, I write to thank you for introducing the Improving Cybersecurity of Credit Unions Act (S. 4698), which would give the National Credit Union Administration (NCUA) oversight authority over credit union service organizations (CUSOs) and other service providers.

Cyberattacks have escalated in recent years, creating risk of financial and reputational harm not only for entities that are directly targeted but for a web of other institutions as well as consumers. Financial institutions operate in a broader ecosystem, and an attack on any one node of the ecosystem is an attack on all participants. Effective regulatory supervision must create an umbrella which shields the entire system.

Current law contains a loophole that has allowed credit unions to outsource their information technology and other services to CUSOs to avoid NCUA regulation and examination of those services and activities. By contrast, bank regulators have third-party examination authority over bank service providers. This disparate supervision weakens financial sector cybersecurity as a whole.

S. 4698 would implement a recommendation of the Government Accountability Office, the Financial Stability Oversight Council, and the Inspector General of the NCUA by granting third-party vendor authority to NCUA and thereby strengthening system-wide cybersecurity.

Thank you again for introducing this important legislation.

Sincerely,

/s/

Rebeca Romero Rainey  
President & CEO

*The Nation's Voice for Community Banks.®*

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