

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 3997
OFFERED BY MR. LATOURETTE OF OHIO**

Page 2, line 9, strike “substantial”.

Page 4, line 5, strike “substantial”.

Page 4, after line 6, insert the following new paragraph:

1 “(3) DATA DESTRUCTION AND DATA DISPOSAL
2 POLICIES AND PROCEDURES.—The policies and pro-
3 cedures described in paragraph (2) shall include pro-
4 viding for the proper disposal of sensitive financial
5 personal information in accordance with the stand-
6 ards, guidelines, or regulations issued pursuant to
7 this section.”.

Page 5, line 9, strike “substantial”.

Page 5, line 13, strike “(i)(1)” and insert “(k)(1)”.

Page 7, line 25, strike “subsection (j)(1)(H)” and
insert “(k)(1)(H)”.

Page 9, line 12, strike “substantial”.

Page 11, line 9, strike “substantial”.



Page 11, line 22, strike “subsection (j)(1)” and insert “subsection (k)(1)”.

Page 12, line 18, strike “substantial”.

Page 19, line 13, strike “substantial”.

Page 20, strike line 19 and all that follows through page 21, line 5, and insert the following new paragraphs (and redesignate the subsequent paragraph and any cross reference to such paragraph accordingly):

1 “(1) FREE FILE MONITORING.—Any consumer
2 reporter that is required to provide notice to a con-
3 sumer under subsection (f)(1)(C), or that is deemed
4 to be in compliance with such requirement by oper-
5 ation of subsection (j), if requested by the consumer
6 before the end of the 90-day period beginning on the
7 date of such notice, shall make available to the con-
8 sumer, free of charge and for at least a 6-month
9 period—

10 “(A) a service that monitors nationwide
11 credit activity regarding a consumer from a
12 consumer reporting agency described in section
13 603(p); or

14 “(B) a service that provides identity-moni-
15 toring to consumers on a nationwide basis that
16 meets the guidelines described in paragraph (2).



1 “(2) IDENTITY MONITORING NETWORKS.—The
2 regulators described in subsection (l)(1) shall issue
3 guidelines on the type of identity monitoring net-
4 works that are likely to detect fraudulent identity
5 activity regarding a consumer on a nationwide basis
6 and would satisfy the requirements of paragraph
7 (1).”.

Page 35, strike line 18 and all that follows through
page 42, line 2, and insert the following new subsection:

8 “(j) EFFECT ON GLBA.—

9 “(1) DEPOSITORY INSTITUTIONS.—The current
10 and any future breach notice regulations and guide-
11 lines under section 501(b) of the Gramm-Leach-Bliley
12 Act with respect to depository institutions shall
13 be superseded, as of the effective date of the regula-
14 tions required under subsection (h)(3), relating to
15 the specific requirements of this section.

16 “(2) NONDEPOSITORY INSTITUTIONS.—The
17 current and any future data security regulations and
18 guidelines under section 501(b) of the Gramm-
19 Leach-Bliley Act with respect to nondepository insti-
20 tutions shall be superseded as of the effective date
21 of the regulations required under subsection (h)(3),
22 relating to the responsibilities under this section.”.



Page 42, strike line 5 and all that follows through line 21 and insert the following:

1 “(1) UNIFORM STANDARDS.—The Secretary of
2 the Treasury, the Board of Governors of the Federal
3 Reserve System, and the Commission shall jointly,
4 and the Federal functional regulatory agencies with
5 respect to agencies that have issued guidance on
6 consumer breach notification and the entities under
7 their jurisdiction shall jointly, develop standards and
8 guidelines to implement this section, including—

9 “(A) [reserved];”.

Page 43, strike line 20 and all that follows through line 22, and insert the following new clause:

10 “(ii) may be made by public notice in
11 appropriate cases in which—

12 “(I) such reasonable efforts de-
13 scribed in clause (i) have failed; or

14 “(II) a breach of data security
15 involves a loss or unauthorized acqui-
16 sition of sensitive financial personal
17 information in paper documents or
18 records that has been determined to
19 be usable, but the identities of specific
20 consumers are not determinable;
21 and”.



Page 50, line 13, strike “substantial”.

Page 50, after line 14, insert the following new paragraph:

1 “(6) COORDINATION.—
2 “(A) IN GENERAL.—Each functional regu-
3 latory agency shall consult and coordinate with
4 each other functional regulatory agency so that,
5 to the extent possible, the regulations pre-
6 scribed by each agency are consistent and com-
7 parable.
8 “(B) MODEL REGULATIONS.—In pre-
9 scribing implementing regulations under para-
10 graph (1), the functional regulatory agencies
11 agencies referred to in such paragraph shall use
12 the Gramm-Leach-Bliley Act (including the
13 guidance and regulations issued thereunder) as
14 a base, adding such other consumer protections
15 as appropriate under this section.”.

Page 50, line 19, strike “exclusively”.

Page 55, after line 5, insert the following new para-
graph:

16 “(3) USE OF UNDISTRIBUTED FUNDS FOR FI-
17 NANCIAL EDUCATION.—If—



1 “(A) in connection with any administrative
2 action under this section, a fund is created or
3 a functional regulatory agency has obtained
4 disgorgement; and

5 “(B) the functional regulatory agency de-
6 termines that—

7 “(i) due to the size of the fund to be
8 distributed, the number of individuals af-
9 fected, the nature of the underlying viola-
10 tion, or for other reasons, it would be in-
11 feasible to distribute such fund or
12 disgorgement to the victims of the viola-
13 tion; or

14 “(ii) there are excess monies remain-
15 ing after the distribution of the fund or
16 disgorgement to victims,

17 the functional regulatory agency may issue an order
18 in an administrative proceeding requiring that the
19 undistributed amount of the fund or disgorgement
20 be used in whole or in part by the functional regu-
21 latory agency for education programs and outreach
22 activities of consumer groups, community based
23 groups, and the Financial Literacy and Education
24 Commission established under the Fair and Accu-



1 rate Credit Transactions Act of 2003 that are con-
2 sistent with and further the purposes of this title.”.

Page 55, line 15, strike “substantial”.

Page 57, line 11, strike “subsection (j)” and insert
“subsection (l)”.

Page 59, strike line 23 and all that follows through
page 60, line 10 and insert the following new paragraph:

3 “(12) HARM OR INCONVENIENCE.—The term
4 ‘harm or inconvenience’, with respect to a consumer,
5 means financial loss to or civil or criminal penalties
6 imposed on the consumer or the need for the con-
7 sumer to expend significant time and effort to cor-
8 rect erroneous information relating to the consumer,
9 including information maintained by consumer re-
10 porting agencies, financial institutions, or govern-
11 ment entities, in order to avoid the risk of financial
12 loss or increased costs or civil or criminal pen-
13 alties.”.

Page 62, line 14, strike “(j)(4) and”.

At the end of the bill, add the following new section:

14 **SEC. 3. NATIONAL SUMMIT ON DATA SECURITY.**

15 Not later than April 30, 2008, the President or the
16 designee of the President shall convene a National Summit



1 on Data Security Safeguards for Sensitive Personal Fi-
2 nancial Information in the District of Columbia

