



NATIONAL
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REALTORS®

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December 7, 2015

The Honorable Randy Neugebauer
Chairman
House Financial Services Subcommittee on
Financial Institutions and Consumer Credit
1424 Longworth House Office Building
Washington, DC 20515

The Honorable John Carney
U.S. House of Representatives
1406 Longworth House Office Building
Washington, DC 20515

Dear Chairman Neugebauer and Representative Carney:

On behalf of the more than 1.1 million members of the National Association of REALTORS® (NAR) and more than 1400 local REALTOR® associations, we thank you for your work on data security issues and would like to provide our thoughts on H.R. 2205, The Data Security Act of 2015.

NAR recognizes that for businesses operating in multiple states, compliance with a patchwork of state requirements creates confusion and uneven protection. For this reason NAR supports a single federal standard for data breach notification.

While REALTORS® support a single standard and have long been supportive of efforts to protect consumers' sensitive personal information, NAR also strongly believes that any new federal data security requirements must be carefully and narrowly tailored to minimize the regulatory burden such a law could place on small businesses that are just now beginning to experience a fragile economic recovery.

Real estate firms vary widely in size, but the overwhelming majority is composed of very small entities. NAR's most recent surveys indicate that more than half of all realty firms have less than twenty-five agents, and the typical sales agent is affiliated with an independent realty firm with only one office. This unique industry structure can make compliance with regulatory burdens crafted without consideration of the size and sophistication of the regulated entities particularly onerous.

Further compounding this concern is the independent contractor status of the overwhelming majority of real estate sales professionals. Any new data security requirements will necessarily impact the individual real estate agent who is a legal business entity separate from the real estate company with which they are affiliated thus making realistic compliance requirements an especially important consideration for our industry. For this reason NAR wishes to work with you to ensure that any new data security standard will take into account the unique characteristics of the real estate industry.

In addition it is important to ensure that all covered entities will receive similar regulatory treatment regardless of who their regulator may be. Finally, we'd like to work with you to ensure that as this bill moves forward the bill addresses the roles and responsibilities of carrier and third party entities.

Given the importance of this issue to consumers and businesses of all sizes, it is extremely important the Congress fully assess the ramifications of any new requirements. Again, thank you for your work on these important issues. I look forward to working with you and your staff as the legislative process moves forward.

Sincerely,

Tom Salomone
2016 President, National Association of REALTORS®



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