

### NAR Committee:

Federal Technology Policy Committee

### What is the fundamental issue?

Without federal data privacy rules, the real estate industry faces a confusing patchwork of state laws and lacks clear guidance on how to protect consumer rights while supporting small businesses that drive jobs and economic growth.

### I am a real estate professional. What does this mean for my business?

Real estate professionals handle sensitive consumer data every day—from financial details to personal contact information. A federal privacy law could bring clarity and consistency to compliance requirements across states. However, depending on how it's written, it could also introduce new legal risks or operational burdens, especially for small brokerages. NAR supports a balanced approach that protects consumers while ensuring small businesses are not disproportionately impacted.

### NAR Policy:

Supports a comprehensive federal data privacy law that creates a uniform national standard, ensures strong, consistent consumer protections, and includes clear rules and enforcement without overburdening small businesses.

### Opposition Arguments:

Opponents of legislation/regulation are generally concerned about limiting business practices which could curtail business models or create excessive costs for business. Others believe that the proposed legislation's private right of action could fuel meritless lawsuits as currently drafted thus creating an unnecessary cost burden on main street businesses.

### Legislative/Regulatory Status/Outlook

Despite bipartisan support, Congress has yet to pass a national consumer data privacy law. The main sticking point is balancing two competing priorities:

- Republicans want a uniform national standard that preempts state laws to avoid a patchwork of regulations.
- Democrats want a strong private right of action (PRA) so individuals can sue for privacy violations.

Both the House Energy & Commerce and Senate Judiciary Committees are actively holding hearings and soliciting input as they consider reintroducing federal privacy legislation this Congress. Finding the right

mix—broad enough preemption for businesses, but not too broad a PRA for Democrats—has proven difficult.

As part of a broad industry coalition, NAR is working with Congress and federal agencies to strike the right balance: establishing a clear national standard with reasonable preemption, while ensuring there's an appropriate enforcement mechanism which does not unduly burden small businesses.

### **Current Legislation/Regulation (bill number or regulation)**

Congressional authorizing committees have not reported legislation at this time.

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