

FEDERAL LAWMAKERS SHOULD ESTABLISH A NATIONWIDE STANDARD FOR CONSUMER PRIVACY AND DATA SECURITY

Every state has its own laws and regulations on data security and an increasing number also have consumer privacy laws and regulations. Without a federal standard, this patchwork of conflicting state rules grows more convoluted, making it more difficult for businesses of all types to comply. This needless complexity endangers the very consumers that these laws are meant to protect. It also raises operating costs, which in turn raises costs for consumers. In housing, increases in operating costs can lead to higher rents and higher home prices just when consumers can least afford it.

Congress should step in. Federal lawmakers should pass legislation to:

1. Preempt the existing patchwork of conflicting state laws on consumer privacy, data security and breach notification.
2. Establish a single national standard for data protection, one that allows appropriately flexible options for compliance.
3. Assign legal and financial liability to the entities whose systems are breached, even if these entities are third-party service providers.
4. Require third-party service providers to notify their customers of any breach, and allow these third parties to directly notify the affected consumers if they should choose to do so.

Policymakers should act to protect American consumers from the growing threat of cybercrime. The best way to do this is to enact federal legislation that establishes a national, uniform standard that businesses can meet.

Increasingly, rental housing providers are operating in multiple states and are therefore having to comply with varying state laws, and even local laws, governing data security, breach notification and privacy standards. These housing providers – as well as their third-party service providers – collect, use, store and maintain sensitive personal data about applicants, residents and employees. This makes housing providers a ripe target for cyberattacks as the threat landscape continues to grow and nefarious actors deploy increasingly sophisticated methods. That's why housing providers are working diligently to strengthen their cyber-defenses, implement robust internal controls and protect consumer data.

We are pleased that congressional leaders are prioritizing data security and consumer privacy and are calling for stronger requirements in this area. The Real Estate Technology and Transformation Center (RETTTC) stands ready to work with Congress to create a strong, workable standard to protect consumers and improve data security going forward.

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