

February 3, 2015

To: Members of the General Law Committee

Fr: The Connecticut Bankers Association
Contacts: Tom Mongellow, Fritz Conway

Re: Proposed S.B. No. 66 AN ACT PROHIBITING THE USE OF SOCIAL SECURITY NUMBERS IN CERTAIN CONSUMER TRANSACTIONS

Banks are depository institutions that are entrusted with protecting their customers' funds, while at the same time providing easy access in a secure environment, whether in a branch or online. Banking is one of the most heavily regulated industries in the area of online and cyber security with annual regulatory examinations that not only check the bank policies, procedures and systems – but also any vendors they do business with.

The social security number is one of the key items of personal information that has to be provided when setting up any deposit account and may be required for accessing it online. The IRS requires that number to be provided when opening a deposit account, either online or in a bank branch. Indeed, that number is often the ultimate test of a person's identity and is one of the most effective means of preventing identity theft in the industry.

The proposal's language identifying "retail businesses" is unclear as to whether banks would be included in the definition.

By prohibiting the online verification of social security numbers by banks, many online banking programs would not be able to allow legitimate customers to open or access their accounts and funds - or make changes to their account including their password. This is especially true in situations where customers have forgotten their account number, user name or password and need to reset it.

We would suggest that due IRS rules, the high level of security and the regulatory oversight that the banking industry receives, that the bill be clarified to exempt banks from its provisions

We would be happy to provide the Committee with language for its consideration and thank you for the opportunity to comment on the proposal.