

HF4348/SF4376 (FREIBERG/REST) CSBS NONBANK MODEL DATA SECURITY LAW

WHAT DOES THIS BILL DO?

HF4348/SF4376 will add the CSBS Nonbank Data Security Model Law into MN statutes. The model law is based on the updated Federal Trade Commission Safeguards Rule under the Gramm-Leach-Bliley Act to provide consistency across federal and state oversight with no additional regulatory burden.

This statutory change would help commerce in its efforts to update its cybersecurity examination programs, which are now a part of our mortgage accreditation program. Adopting the model data security law positions Minnesota to be proactive in addressing cyber threats.

The bill would also align Minnesota with federal standards, leveraging the FTC Safeguards Rule to reduce the regulatory burden for industry participants. By monitoring the implementation and adherence to the standards, Minnesota will strengthen its nonbank regulatory oversight, contributing to a safer financial environment across the state.

WHY IS THIS BILL IMPORTANT?

This bill enhances the privacy and security of consumers' personal information, reducing the risk of identity theft and fraud. By adopting robust data security requirements, Minnesota will instill consumer trust and confidence in regulated financial institutions. This promotes a more secure and reliable financial landscape to the benefit of consumers.

HOW WILL MINNESOTANS BE BETTER OFF IF WE PASS THIS BILL?

This bill will allow Minnesota to align directly with the FTC and other regulators dedicated to protecting consumer data. Minnesotans will benefit from the department's ability to collaborate and share information with other regulators, promoting a coordinated approach to data security.

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