



# Maine Credit Union League

Testimony by Robert Caverly  
In Opposition to LD 1945  
*An Act To Regulate the Use of Biometric Identifiers*  
*Committee on Judiciary*

February 22, 2022

Senator Carney, Representative Harnett, and distinguished members of the Joint Standing Committee on Judiciary, my name is Robert Caverly and I serve as the Vice President of Governmental Affairs for the Maine Credit Union League. I am here to provide testimony on behalf of the League in opposition to LD 1945, An Act To Regulate the Use of Biometric Identifiers. The Maine Credit Union League is the trade association for Maine's 52 credit unions with over 725,000 members statewide.

The credit union system takes our commitment to protect the personal information of our members very seriously. This commitment is rooted in both our responsibility to our member-owners and perhaps more importantly in today's context, in accordance with the Gramm-Leach-Bliley Act of 1999 (GLBA).<sup>1</sup> Though the GLBA already applies to all federally chartered credit unions, Maine's Title 9-B also applies this strict privacy framework to state financial institutions assuring a strong proactive approach to data privacy and security.<sup>2</sup> Emerging biometric technology, such as fingerprints and voice recognition are growing in popularity and are a useful tool to verify an individual's identity. Biometrics technology is now a mainstream identity protection service offered at nearly every financial institution. We are concerned that the harsh punishments proposed in this bill will chill the use and expanded adoption of these important

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<sup>1</sup> 15 U.S.C. §§ 6801-6809, §§ 6821-6827

<sup>2</sup> 9-B M.R.S. §241(13)

consumer friendly security measures, in effect leaving account holders less protected than they are today.

Financial institutions are one of the heaviest regulated industries in the United States. Credit unions go through extensive examinations by regulators on at least an eighteen-month basis. Among the many things examined are the security and protection of the data and private information held within the credit union. The federal government has mandated clear requirements and expectations on how credit unions must protect personal information, along with clear consequences for failing to do so. In adherence with the GLBA, as well as the extensive examinations, federal and state regulators provide exceptional review of credit unions and protection of their members private information. Credit unions can be penalized or even closed should they fail to comply with these very strict and important regulatory mandates.

The League surmises that the direct and comprehensive regulatory protection is what led the Illinois legislature to offer their financial institutions an exemption in the biometric privacy law they enacted in 2008.<sup>3</sup> We would encourage the committee to consider such an exemption.

While the financial service regulatory environment creates a proactive and frequently reviewed approach to data security and privacy, LD 1945 creates a punitive environment that is only used after harm has been done. This bill provides a private right of action for violations, with penalties up to \$5,000 per violation and attorney's fees. Credit unions are financial cooperative organizations with a not-for-profit status, income generated by a credit union is returned to the members to their accounts through improved rates, reduced fees, and small dividends. Any financial penalty is borne by the entire membership of the credit union.

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<sup>3</sup> (740 ILCS 14/) Biometric Information Privacy Act, State Of Illinois

Though LD 1945 correctly identifies that data security and privacy is an important issue that needs policymakers time and attention, this issue would be best addressed at the federal level, where a universal standard could be applied offering consumers protection no matter where they live. Such discussions and negotiations are ongoing in the halls of Congress, and the League and our credit union allies across the country continue to encourage and support these efforts.

In closing, it is important that this committee consider that the use of biometric identifications is not exclusively used by the private sector, in-fact public sector institutions are utilizing this emerging technology as well. Those who would abuse, steal, or otherwise harm consumers by gaining access to their personal biometric information do not care what entity is holding this sensitive personal information. In this regard Maine public entities that either utilize, or will utilize biometric identification in the future, should be held to the same standards.

The League appreciates the opportunity to present this testimony to the Committee today. We would urge the Committee should you decide to pursue LD 1945 further that you strongly consider adding an exemption for Maine's financial institutions. Without an exemption for Maine's strictly regulated credit unions, then the League would urge the Committee to adopt an Ought Not To Pass report. The League stands ready to work with the Committee and other interested parties on this important issue.