

Using the CSBS Nonbank Model Data Security Law

The CSBS Nonbank Model Data Security Law is designed as a model statutory language for state regulator consideration and adoption, aiming to enhance and streamline data security practices throughout the state system. If your state already has existing laws or rules in place, it may not require this model law. However, it is recommended that you review the model law for completeness of coverage and potential enhancements.

Options for Implementation

For state regulators seeking nonbank data security requirements, the following suggestions can guide the use of the model law:

1. Law: As a model for your own state's law, with minor modifications for [bracketed] language.
2. Rule: For states desiring to implement a rule over a law, conform the model to your rule writing process.
3. Guidance: For states not yet ready to pass a law or implement a rule, consider conforming the essential sections to your guidance process. Doing this will create greater harmonization across the state system, even where states cannot yet pass a law.

Model Law Details

When accessing and reviewing the model law, please take note of the following:

- Yellow highlights signify substantive changes from the FTC Safeguards Rule.
- [Optional] sections are available for inclusion based on your state's specific requirements.
- [Bracketed] placeholders are provided for state-specific language, such as "commissioner" or effective dates.
- The model law aims to closely align with the FTC Safeguards Rule, facilitating harmonization between state and federal requirements while minimizing any additional burden on the industry.