

NAR Issue Summary

Technologies / Data Privacy and Security

NAR Committee:

Federal Technology Policy Committee

What is the fundamental issue?

Given public concern over consumer data privacy, data breaches and online marketing/advertising, Congress has been considering legislation to strengthen data collection, storage and flow regulations; require privacy notices; and impose other information safeguards.

I am a real estate professional. What does this mean for my business?

Real estate professionals collect, store, and share a great deal of consumer information. REALTORS® recognize the importance of protecting consumer data and support commonsense data privacy and security safeguards that are effective and avoid unduly burdening small businesses.

NAR Policy:

Supports a single federal standard for data privacy and security laws consistent with the following principles:

- **Collection of personal information should be transparent.** REALTORS® respect consumer data privacy expectations, and develop, implement and communicate data privacy/security policies to clients.
- **Use, collection and retention of personally identifiable information.** REALTORS® collect and use data only to provide consumer services, and maintain appropriate policies for the reasonable retention and proper destruction of any personally identifiable information.
- **Data Security.** REALTORS® maintain reasonable security standards and procedures regarding access to client information.
- **Disclosure of personally identifiable information.** REALTORS® do not reveal personally identifiable data to third parties unless information helps complete a consumer initiated transaction; the consumer requests it; the disclosure is required or allowed by law; or the consumer has been informed about the possibility of disclosure and provided with an opportunity to opt-out.
- **Maintaining consumer privacy in business relationships.** If a REALTOR® provides personally identifiable information on behalf of a consumer, the third party should adhere to privacy principles like REALTORS®.

Opposition Arguments:

Opponents of legislation/regulation are generally concerned about limiting business practices which could curtail business models or create excessive costs for business. Others believe that these proposals do too little to protect consumers.



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Legislative/Regulatory Status/Outlook

Congress has been considering legislative proposals which:

- Cover entities handling sensitive information with few exceptions;
- Set data security standards for banks and non-banks;
- Provide for enforcement by banking regulators and by the Federal Trade Commission for non-banks;
- Ensure equivalent enforcement by banking and non-banking regulators, with requirement that agencies coordinate on equivalent enforcement and penalties; and
- Provide for a federal preemption of certain state and common laws.

Current Legislation/Regulation (bill number or regulation)

Congressional authorizing committees have not introduced legislation at this time.

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