



**National Association  
of Federal Credit Unions**  
3138 10th Street North  
Arlington, VA 22201-2149

NAFCU | Your Direct Connection to Education, Advocacy & Advancement

April 8, 2013

Ms. Diane Honeycutt  
The National Institute of Standards and Technology  
100 Bureau Drive, Stop 8930  
Gaithersburg, MD 20899

RE: Developing a Framework to Improve Infrastructure Cybersecurity

Dear Ms. Honeycutt:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only trade association that exclusively represents federal credit unions, I write to you regarding the National Institute of Standards and Technology's (NIST) request for information for developing a framework to reduce cybersecurity risk against critical infrastructure.

NAFCU would like to express our appreciation to NIST for taking a leadership role on cybersecurity. NAFCU supports legislative and policy measures that would enhance our nation's safety and protect against cyber-attacks. It is unquestionably in the best interest of our nation's credit unions and their 94 million members that necessary, appropriate and effective measures are taken to protect our nation's infrastructures, including critical infrastructure such as the financial system.

As the NIST is aware, NAFCU is a member of the Financial Services Sector Coordinating Council (FSSCC). FSSCC and the Financial and Banking Information Infrastructure Committee have submitted a comment letter to the NIST. NAFCU would like to affirm our endorsement of that letter.

Credit unions are not-for-profit cooperative institutions that are owned by their member. As such, they engage in actions and take necessary measures to protect their members' interest, which includes taking actions to protect their credit union's infrastructure.

Credit unions are among the most regulated entities in our nation. Virtually every aspect of their operations is under regular scrutiny or governed by regulations prescribed by a number of regulators. The National Credit Union Administration (NCUA) examines federally-insured credit unions for safety and soundness. As recently as February of this year, the NCUA issued guidance on cybersecurity for credit unions to follow and consult. *See* NCUA 13-Risk-01, *Mitigating Distributed Denial-of-Service Attacks*. In addition, credit unions are subject to guidance issued by the Federal Financial Institution Examination Council (FFIEC), of which the NCUA is a member. The FFIEC has established standards for financial institutions' information systems, outlining the

Diane Honeycutt - NIST

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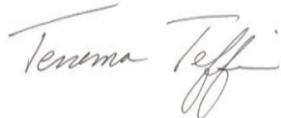
minimum control requirements and directing a layered approach to managing information risks. These are just some of numerous regulatory or industry-established standards that credit unions have followed for many years.

In establishing a framework, we strongly encourage the NIST to take into account that credit unions (and the financial sector as a whole) have extensive experience in instituting effective measures to protect their infrastructure and their members' assets. It is important, therefore, that the NIST does not establish a one-size-fits-all set of standards, even if the standards will be voluntary. Rather, any standards should take into account and differentiate between each sector's experience, exposure and expertise as well as the wide diversity of the size of the financial institutions within the sector.

Lastly, and importantly, we would like to reiterate our position that legislation addressing a wide array of cybersecurity issues is needed. One such issue that must be addressed involves the role of merchants' payment cards, an issue that we believe is important to improve defenses against cyber-attacks. Financial institutions, including credit unions, bear a significant burden as the issuers of payment cards used by millions of consumers. Credit unions suffer steep losses in re-establishing member safety after a data breach occurs and are often forced to charge off fraud related losses, many of which stem from a merchant's failure to protect sensitive financial and personal information. We believe, as we have expressly stated to Congress, legislation is necessary to address the role of merchants in protecting against cyber-attacks.

NAFCU appreciates the opportunity to comment. Should you have any questions or require additional information please feel free to contact me at [ttefferi@nafcu.org](mailto:ttefferi@nafcu.org) or (703) 842-2268.

Sincerely,

A handwritten signature in cursive script that reads "Tessema Tefferi".

Tessema Tefferi  
Senior Regulatory Affairs Counsel