

VERMONT BANKERS ASSOCIATION, INC.

VBA

MEMO

TO: Senate Finance Committee

FROM: Christopher D'Elia

SUBJECT: H.211

DATE: April 21, 2026

Members of the Committee,

Thank you for the opportunity to testify. For the record, my name is Chris D'Elia, President, Vermont Bankers Association. I would like to start by saying we support the passage of a comprehensive privacy bill, which is long overdue. We also support the passage of a data broker bill that updates Vermont's statutes. However, we do not believe H.211 is the way to go about it.

To be clear, as passed the House, banks do not fall under the definition of a data broker. We do not sell or lease customer data. The data we collect falls under several federal regulations such as Graham Leach Bliley and the Fair Credit Reporting Act. Perhaps more importantly, the data is protected by Vermont's unique privacy regulation that applies to all banks. Said regulation creates an opt-in regime, which means we can't do anything with our customer's data unless they consent.

It is important to know that both state and federal privacy requirements flow through us to entities we work with under a contractual agreement. In simple terms, those entities are held to the same standards as banks regarding our customers data.

H.211 contains language and requirements that we believe should be in the comprehensive privacy bill S.71, not here. For example, there are changes to definitions and a data deletion mechanism that impacts any entity collecting data, not just data brokers. Those items should go in the other bill. This approach would be consistent with the way California developed their privacy bill, pass a comprehensive bill then pass a data minimization bill.

Again, banks are not data brokers, but we do work with many third-party entities in the market that now either will or could fall under the new definition in H.211. We rely on

those entities to help us serve our customers, to meet our regulatory obligations. What concerns us is the deletion mechanism and how that might unintentionally impact consumers. For example, if the bill were implemented, consumers would have the ability to go to a data broker and say delete my information. That same consumer could then turn around and want to access a product or service from a provider that relies on data to provide said product or service. If the data on that consumer does not exist, how does the provider conduct their analysis, due diligence, or whatever process it might be to successfully work with the individual.

Unlike the credit report freeze statute we passed years ago, where you could place a freeze on your report and then lift it easily, here when you delete your data, for all intents and purposes you do not exist.

In response, the House came up with a list of use case exemptions. This is a unique approach, which to my knowledge, no other state has taken. Vermont would be an outlier compared to every other state-based privacy statute. We believe it makes sense to have other, larger states be the proving ground rather than Vermont with a population of only 630,000.

When talking with my members, the comments focus on how can we possibly account for all the use cases in the marketplace. Such an approach seems static when you consider products and services will evolve over time along with technologies. We may find ourselves constantly having to update the statute as the market evolves.

With that in mind, we recommend the following revisions to H.211:

- Keep the modified definition of data broker;
- Keep the new data broker reporting requirements when filing with the secretary of state's office;
- Keep the data broker security breach requirements;
- Keep the study on data deletion;
- Remove any other changes to definitions and the data deletion mechanism, those should go in the comprehensive privacy bill S.71.

Thank you for the opportunity to testify.

Christopher D'Elia
President, VBA