National Association
of Federal Credit Unions
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NAFCU | Your Direct Connection to Education, Advocacy & Advancement

September 18, 2015

Legislative and Regulatory Activities Division
Office of the Comptroller of the Currency
Attention: 1557-0328
400 7th Street S.W.,
Suite 3E-218, Mail Stop 9W-11,
Washington, DC 20219

RE: Comments on Agency Information Collection Activities for FFIEC Cybersecurity Assessment Tool

Dear Sir or Madam:

On behalf of the National Association of Federal Credit Unions (NAFCU), the only national trade association focusing exclusively on federal issues affecting the nation's federally insured credit unions, I am writing to you regarding the proposed collection of information required under the Federal Financial Institutions Examination Council (FFIEC) Cybersecurity Assessment Tool (Assessment). NAFCU applauds the collaboration of the FFIEC regulators to release the Assessment, which can be utilized by individual credit unions of all asset sizes to identify their individual risks and assess their cybersecurity preparedness. NAFCU and our members strive to ensure the security of their systems and sensitive consumer data as the cyber threat landscape continues to evolve. This voluntary Assessment will help NAFCU members achieve that goal.

NAFCU and our members believe that this voluntary self-assessment tool will be helpful for credit unions of all sizes and cybersecurity maturity to measure their inherent cyber risk and determine what changes should be implemented based on their individual risk appetite. In general, the Assessment has two specific parts, Inherent Risk Profile and Cybersecurity Maturity, which are designed to be completed periodically by credit unions as significant operational and technological changes occur in order to be an effective risk management tool. The Inherent Risk Profile Assessment identifies a credit union's inherent risk, by considering the type, volume, and complexity of a credit union's operations. Second, the Cybersecurity Maturity Assessment determines a credit union's current state of cybersecurity preparedness by analyzing a credit union's behaviors, practices, and processes that impact cybersecurity preparedness within five main domain areas. Once running both parts of the Assessment, a credit union's management can decide what actions are needed either to change the credit union's inherent risk profile or to achieve a desired state of maturity.

NAFCU and our members are encouraged that this tool is designed to provide a voluntary risk management process that will help inform business functions of the organization, while not being overly prescriptive of requiring desired outcomes to achieve a certain level of cybersecurity preparedness. While the use of this self-assessment tool will not be mandatory, NAFCU understands that the National Credit Union Administration (NCUA) plans to train its examiners on how to utilize this Assessment in the exam process in order for them to collect information about the credit union industry's cybersecurity preparedness as a whole. NCUA will aggregate data on credit union cybersecurity preparedness and share it with other financial regulators within FFIEC.

NAFCU and our members urge NCUA to maintain the voluntary nature of this tool and not make the Assessment a regulatory requirement. This Assessment was designed to be used by credit union management on an ongoing basis when considering changes to its business strategy; it was not designed to prescribe desired or required outcomes of individual financial institutions. While NAFCU and members strongly support efforts to ensure the safety and security of the financial system from cyber threats, the regulatory pendulum post-crisis has swung too far towards an environment of overregulation that threatens to stifle economic growth and innovation. Cybersecurity poses a unique threat to individual institutions since it requires management discretion about the credit union's risk appetite and cyber maturity. As such, cybersecurity is not an issue that can be solved with more regulatory red tape. Instead, emerging cyber risks must be addressed by adopting solutions that are scalable and nimble enough to be used both on an institution-level and industry-wide basis to identify and respond to the ever-changing threat landscape.

NAFCU is hopeful that this effort by FFIEC agencies to share cyber threat information will improve the cyber preparedness of the entire financial sector. Since FFIEC announced the creation of the Cybersecurity and Critical Infrastructure Working Group in June 2013, NAFCU and our members have supported the efforts of this group to enhance communication among the FFIEC member agencies and build on existing efforts to strengthen the cybersecurity activities of other interagency and private sector groups. Just as credit unions and other financial institutions today participate in real-time information sharing forums such as the Financial Services Information Sharing and Analysis Center (FS-ISAC), NAFCU believes that financial regulators must increase coordination on monitoring, sharing, and responding to threat and vulnerability information throughout the financial industry. NAFCU has been in communications with FFIEC as the financial regulators have been assessing and enhancing the state of financial industry preparedness by identifying gaps in the regulators' examination procedures and strengthening training to improve cybersecurity readiness. We are confident that the Assessment tool is the first step toward achieving an industry-wide threat analysis and data.

NAFCU appreciates the opportunity to share our thoughts on the proposed adoption of the FFIEC Cybersecurity Self-Assessment tool. We look forward to continuing to work with NCUA and the other financial regulators to address how to best secure credit unions and their members against the evolving threats in the cybersecurity space. Should you have any

questions or would like to discuss these issues further, please feel free to contact me at ksubramanian@nafcu.org or (703) 842-2212.

Sincerely,

Kavitha Subramanian
Regulatory Affairs Counsel