



The National Association of State Credit Union Supervisors

July 3, 2024

Mr. Todd Klessman
CIRCIA Rulemaking Team Lead
Cybersecurity and Infrastructure Security Agency
U.S. Department of Homeland Security

Re: Docket No. CISA -2022-0010 (CIRCIA Reporting Requirements)

Mr. Klessman:

The National Association of State Credit Union Supervisors (NASCUS) thanks you for the opportunity to comment on the Cybersecurity and Infrastructure Security Agency’s (CISA) Proposed Rule re: Cyber Incident Reporting for Critical Infrastructure Act (CIRCIA) Reporting Requirements¹. We support CISA’s efforts to implement a comprehensive cyber incident and ransomware reporting mechanism for the nation’s critical infrastructure industries.

NASCUS is the professional association of the nation’s forty-six state and territorial credit union regulatory agencies that charter and supervise over 1800 state-chartered and territorial credit unions. These credit unions hold over half of the \$2.3 trillion assets in the credit union system and are proud to represent nearly half of the 142 million credit union members. NASCUS membership includes state/territorial regulatory agencies, state-chartered and federally-chartered credit unions and other important industry stakeholders. NASCUS is also a member of the Financial and Banking Information Infrastructure Committee (FBIIC) and engages with this committee on behalf of our state supervisory agencies. As a result of this engagement, we recognize the importance of ensuring proper coordination and communication between various stakeholders on the issue of cybersecurity.

Harmonization of Cyber Incident Reporting Requirements

With that viewpoint in mind, we would like to stress the necessity of including the state and territorial supervisory agencies in any harmonization efforts undertaken. Currently, there are both federal and state cyber-related reporting requirements at play within the financial services sector. Within the credit union sector, entities are subject to the National Credit Union Administration’s (NCUA’s) cyber incident notification requirements as well as similar requirements implemented by various states. To minimize the burden of duplicative reporting, NCUA and state/territorial agencies are coordinating with regard to cyber incident reporting logistics to lessen the impact on reporting institutions.

Likewise, we ask that CISA engage not just federal financial agencies but also the appropriate state/territorial agencies to ensure the development of an efficient and minimally burdensome reporting apparatus. In addition, we strongly recommend that state/territorial supervisory agencies (the prudential regulators that charter and examine institutions that account for 50.3% of total credit union assets and 38.7% of active credit union charters) have access to any databases/data reporting regarding incidents that occur within their borders.

¹ 6 CFR Part 226



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NASCUS would be more than happy to assist in the coordination of necessary discussions between CISA and our state supervisory agency members to achieve this goal.

Clarification Requested Regarding Treatment of Non-Federally Insured Credit Unions

We would also like to encourage you to provide clarification in your final rule as to the treatment of non-federally insured credit unions. Based on our interpretation of the proposed rule, entities would meet your “covered entities” definition if they either satisfied your size-based criteria (operating in an enumerated critical infrastructure sector and exceeding the applicable Small Business Administration Standard) or satisfied your sector-based criteria (entities that fall into one of the enumerated critical infrastructure sectors and that are federally regulated, federally insured).

It is unclear whether, based on these criteria, a small number of state-chartered, privately insured credit unions and Puerto Rico based credit unions would be subject to CISA’s cyber incident reporting requirements. There are approximately 193 credit unions that are either privately insured through American Share Insurance (ASI) or insured through the CORPORACIÓN PÚBLICA PARA LA SUPERVISIÓN Y SEGURO DE COOPERATIVAS of Puerto Rico (COSSEC). A small number of those 193 institutions would meet the requirements of 226.2(a). However, for the remainder, there could be confusion as to whether they have a federal regulator for purposes of application of the proposed rule. While these credit unions are subject to BSA examination by the Internal Revenue Service, or subject to Consumer Financial Protection Bureau regulation for consumer protection rules, they lack a federal banking agency nexus of oversight due to their lack of federal deposit insurance. We encourage CISA to specifically address the treatment of privately-insured, state-chartered credit unions and credit unions chartered and insured in Puerto Rico in its final iteration of this rule.

NASCUS appreciates the opportunity to share our insight and recommendations on this proposal. Please feel free to contact me at nseabron@nascus.org or (703) 528-0669 should you have any questions regarding this correspondence.

Sincerely,

-signature redacted for electronic publication -

Nichole Seabron
Senior Vice President
Federal Consumer Protection & Critical Infrastructure Counsel
NASCUS