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## Caution urged on cybersecurity

### State regulations would make banks set protections against breaches, notify clients

By Rick Karlin

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Even though the topic was banking cybersecurity, the talk during a legislative hearing on Monday turned repeatedly to the extent of Russian hacking into domestic political parties that may have influenced the presidential race.

Also drawing attention was news earlier in the month that the Yahoo email service had suffered more than 1 billion hacks.

"We're hearing every day about Russian espionage," said James Bopp, legislative committee chairman for the New York Mortgage Bankers Association.

"Foreign governments, organized crime syndicates and even terrorist organizations" are involved in cyberattacks, he said.

While stressing the need for security, Bopp and others had concerns about an expansive set of rules proposed by the state Department of Financial Services that would require banks, insurance companies and others regulated by the department to establish cybersecurity programs that would protect against breaches and notify consumers if their accounts are hacked.

Bopp said some of the reporting requirements may be beyond what small operations, such as individual mortgage brokers, could realistically meet.

Others, including Robert Treuber, executive vice president of the state Land Title Association, said the only private information that they usually get is Social Security numbers of clients, and those are typically destroyed after a transaction.

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Bopp, Treuber and others said they believed the state should wait for federal regulators to finalize cybersecurity rules in order to avoid a state-by-state patchwork of regulation.

At least one lawmaker on the Assembly Standing Committee on Banks had worries about rules that might come out of the incoming Trump administration.

"With the new administration coming in there may be a total overhaul," said Assemblyman David Weprin, a Queens Democrat. "There could be delays."

"Who knows what's going to happen in Washington and how long it's going to take."

Joining Weprin in the hearing were Republican Assemblyman Jim Tedisco of Glenville and Chairwoman Annette Robinson, a Brooklyn Democrat.

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