



## **Nevada Banking Industry on Privacy, Security and Safety**

### **The financial services industry is the gold standard of CYBERSECURITY.**

When it comes to data protection and consumer privacy, banks are held to the highest standards and the strictest regulations of any industry, including critical U.S. industries, including energy and telecommunications.

### **Financial institutions have a robust regulatory system in place for DATA BREACHES.**

Unlike other businesses that have experienced security breaches, banks already have a regulatory system in place requiring them to address cyber threats and telling them how and when to notify their customers when a data breach occurs. All banks must develop and have in place a cybersecurity risk management program that includes data breach-response procedures that meet with federal regulations.

**The Gramm-Leach-Bliley Act (GLBA) requires banks to protect the security and confidentiality** of customer records and information, provide consumers with notice of their **PRIVACY** practices and limits the disclosure of financial information with nonaffiliated third parties. Banks are not allowed to sell customer information and the GLBA rules are custom tailored to meet the technical requirements of information exchanges related to processing financial transactions while providing the most complete protections for consumers. Banks are also subject to other federal privacy and data protection laws, including the Right to Financial Privacy Act, the Fair Credit Reporting Act, the Health Insurance Portability and Accountability Act and the Children's Online Privacy Protection Act.

**Banks are continuously enhancing their capacity to spot and stop FRAUD and ELDER FINANCIAL EXPLOITATION** through on-going training and enhanced fraud detection technologies. Various federal and state authorities either require or encourage financial institutions to report any suspicions of elder financial exploitation. In 2018 the Senior Safe Act was signed into law, which provides immunities to financial institutions from bank privacy laws when disclosing information regarding elder financial exploitation to regulators and law enforcement. The immunity is contingent on training and bank role. Banks also offer consumer education to help older customers and financial caregivers understand how to protect themselves.

**Banks stopped \$9 out of every \$10** (or 89 percent) of attempted deposit account / **ATM FRAUD** in 2016

Banks' prevention systems stopped about **89 percent or \$22 billion in CHECK FRAUD** attempts in 2018

*NOTE: Just because a check has "cleared" doesn't mean you're in the clear. Under federal law, banks must make money from deposited checks available quickly – usually within two days. But just because you can withdraw the money doesn't mean the check is good, even if it's a cashier's check or money order. Forgeries and fakes can take weeks to be discovered.*

**IDENTITY THEFT** is one of the most prevalent types of fraud. Banks work diligently to protect their customers from identity theft. Banks use a combination of safeguards to protect your information, such as employee training, strict privacy policies, rigorous security standards and encryption systems. Many banks have special fraud detection software that constantly monitors accounts to help flag ID theft.

The banking industry is committed to doing our part to combat **MONEY LAUNDERING AND TERRORISM**. For nearly 50 years, banks have been the first line of defense against criminal abuse of the international financial system. Banks are subject to strict anti-money laundering laws, starting with the Bank Secrecy Act of 1970. The BSA created the record keeping and currency reporting requirement, but these requirements have steadily expanded over the years. Now, it is a bank's responsibility to report all suspicious activity to law enforcement. Helping aid money launderers could result in a bank's charter being revoked or a civil penalty as high as \$1 million a day.

**Federal pre-emption matters:** Nationally chartered banks and federal thrifts were designed to carry on the business of banking under uniform federal laws and federal supervision by the Office of the Comptroller of the Currency. **More recently, advances in technology and the development of national markets for loans, deposits and other bank products have created a national financial services marketplace, making operating under a uniform set of laws even more important to banks.**

(Sources: ABA surveys, Federal Reserve, OCC and FDIC data.)

Banks help **Nevadans build wealth** for the long term and **provide credit** for major purchase and projects.

**48**  
FDIC Insured  
Banks

**494**  
Bank Branch and  
Office Locations

**2.6 Million**  
Customer Bank  
Accounts Open

**\$274.2 Billion**  
Deposited with FDIC  
Banks

### **BANK ON**

More than **300** branches have obtained certification on their **SAFE & AFFORDABLE** account offerings.



The backbone of the economy, small businesses **create jobs**, lead the way in **innovation**, and reflect the **diversity** of Nevada.

**19,811**  
Traditional  
Loans to Small  
Businesses

**\$6.0 Billion**  
Invested in Small  
Businesses

**38,259**  
PPP Loans to  
Small  
Businesses

**\$4.0 Billion**  
Additional  
Investment through  
PPP Loans



## **NEVADA BANKERS ASSOCIATION**

INVESTING IN NEVADA TOGETHER



*Banks fuel Nevada's economic growth through new home, small business and small farm loans and more.*

*Customer deposits to a bank branch are invested in that branch's local economy.*



In addition to paying the same taxes as all businesses pay, banks **ALSO** pay a **higher**

**Modified Business Tax rate** and **ALSO** pay a **Franchise Tax** that is **NOT** charged to *any other business*.

**Banks Employ 6,996 Nevadans** and provide more than **\$611.2 million** in compensation annually.



**123,723**  
Bankers' Annual Community  
Volunteer Hours

**\$25 Million**  
Annually to Nevada  
Charitable Causes

**\$4.7 Million**  
2020 Grants to Nevada  
Legal Aid Programs

**SAVERLIFE & Financial Literacy**  
NBA and bank members partnered with SAVERLIFE to create more savers in Nevada, we provide financial literacy training to help Nevada's succeed **AND** we pay people to save!

**COVID-19 RESPONSE:** FDIC reports banking industry profits were walloped in the first quarter of 2020 because of COVID-19 containment efforts that pummeled our economies. When shut downs were ordered, banks immediately stepped up to help customers with loan deferrals, fee waivers, mortgage forbearance and more including PPP loans funded by banks using bank funds, to be reimbursed by SBA grant and/or customer loan at "forgiveness."

**The way banks are helping their communities is by delaying, reducing & eliminating their own income, not an easy or unlimited resource.**

Just as banks reflect the local economies in good times, banks are seeing a dramatic increase in defaults and losses and a substantial decrease of net profits, more than 69% as of March 31, 2020. And, this is only the tip of this ongoing crisis.

Banks will continue to do their part; recognizing it is not an easy or an unlimited resource. Financial institutions must maintain a delicate balance ensuring their own stability to continue to provide employment to nearly 7,000 Nevadans and continue to make financial services available in Nevada.