

*Administration of Barack Obama, 2014*

## **Remarks on Signing an Executive Order on Improving the Security of Consumer Financial Transactions**

*October 17, 2014*

*The President.* Hello, everybody! Hello. Good job, everybody. Everybody, please have a seat. Well, it is good to be back at CFPB. I want to——

*Audience members.* Woo!

*The President.* Yes, this is an enthusiastic and rowdy crowd, this group. [*Laughter*] That's what happens when you do good things. You feel good. And this group is doing great work.

I want to thank your Director, Rich Cordray, for hosting me here today, and I want to thank all of you for doing a great job in looking out for the financial security of all Americans.

Now, obviously, right now the news is dominated by Ebola, and we've got an all-hands-on-deck approach across Government to make sure that we are keeping the American people safe. But even as we meet that particular challenge, it's also important that we don't lose sight of the other challenges that we face as a nation, especially the challenge of making sure that our economy works for every single American. And that includes the challenge that brings me here today: protecting Americans from financial fraud and identity theft.

Now, as President, I believe that America is stronger when our middle class can count on things like affordable health insurance and Medicare and Social Security; where there are rules to protect our kids from dirty air or dirty water, rules to protect consumers from being taken advantage of. And I know you agree, those of you at CFPB, because that's your mission.

And that's why part of the financial reform that we passed in the wake of the worst financial crisis since the Great Depression was the creation of this agency, to make sure that we are looking at every aspect of the financial system and ensuring that the American people have the basic protections that they should be able to count on. You have one mission: You're a watchdog for consumers to make sure that the American people have somebody who's got their backs.

And because of the good work of many of the people who are here today, Americans have saved millions because they've been protected from predatory mortgage practices. You've protected folks from deceptive credit card practices. You've set up "Know Before You Owe" to help college be a little more affordable for young people and to make sure that they know the kind of debt that they're accruing. You've simplified mortgage forms so homeowners don't get tricked in the final print. But all this work, taken together, the reason it's important is because it's not an abstraction; it saves people money and time and heartache.

And before you, Americans who had gotten taken advantage of often had no way of achieving some sort of compensation. Now, today, you've actually secured billions of dollars in relief for victims. You've helped to make people a little more whole after somebody engaged in fraudulent behavior.

Some folks in Congress fought tooth and nail to keep this agency from getting off the ground. There are some, frankly, who are still fighting to undo the rules we put in place to protect consumers. But I refuse to back down and go back to the days when mortgage lenders or financial firms could take advantage of consumers and consumers had no recourse. We're

moving forward. America is better because of this agency and because of the rules that we've put in place.

And the good news is, is that we've got more work to do. And today we're building on the progress that's already been made by announcing new measures to protect America from identity theft and fraud.

Now, we've all experienced the benefits of new technologies that let us buy and sell things faster and more efficiently than ever before. But there are risks that come with these technologies as well. Last year, millions of Americans became victims of identity theft. Millions were victims of this kind of fraud. More than a hundred million Americans had information that was compromised in data breaches in some of our largest companies. And identity theft is now America's fastest growing crime.

These crimes don't just cost companies and consumers billions of dollars every year, they also threaten the economic security of middle class Americans who have worked really hard for a lifetime to build some sort of security. The idea that somebody halfway around the world could run up thousands of dollars in charges in your name just because they stole your number or because you swiped your card at the wrong place in the wrong time, that's infuriating. For victims, it's heartbreaking. And as a country, we've got to do more to stop it.

And that's why today we are launching an initiative called "BuySecure," because you should be able to buy the things that you need without risking your identity, your credit score, or your savings.

First, starting next year, we're going to begin making sure that credit cards and credit card readers issued by the United States Government come equipped with two new layers of protection: a microchip in the card that's harder for thieves to clone than a magnetic strip and a PIN number you enter into the reader just as you do with an ATM. We know this technology works. When Britain switched to a chip-and-PIN system, they cut fraud in stores by 70 percent. Seventy percent.

Of course, no one security measure, no matter how powerful, can stop fraud on its own. So today I'm also directing Federal law enforcement to share more information with the private sector when they discover identity theft rings.

Folks here at the CFPB are working with banks to help make it easier for consumers to discover if fraudulent charges have been made to their account. The Federal Trade Commission will add new features to [identitytheft.gov](http://identitytheft.gov), and they're going to work with credit bureaus to dramatically cut down on the time it takes for victims to recover their stolen identities. And in the coming months I'll be bringing together industry leaders and consumer advocates for a cybersecurity summit focused on protecting consumers using the next generation of mobile payment systems and devices.

And I'm happy to say that the private sector is already deeply engaged in this effort. Today a group of retailers that includes some of our largest—Home Depot, Target, Walgreens, Walmart—and representing more than 15,000 stores across the country, all of them are pledging to adopt chip-and-PIN technology by the beginning of next year. American Express is pledging \$10 million to replace outdated card readers at small businesses. MasterCard is pledging to provide its customers with free identity-theft monitoring and resolution support. And Citi is joining other financial institutions in making free FICO scores available to customers, because a sudden drop in your credit rating is one of the clearest signs that you've been hit by fraud.

So I want to thank all the business leaders who are choosing to protect their companies and their customers from the kind of hacking that we saw too many times this past year. I want to encourage every retailer, every bank, and every credit card company to join them in this effort.

And even though I'm taking action today without Congress, Congress needs to do its part, as well. Today, data breaches are handled by dozens of separate State laws, and it's time to have one clear national standard that brings certainty to businesses and keeps consumers safe.

Let me just close by saying this. Last week, I saw a survey that asked folks from all over the world what they thought of the idea that "success in life is pretty much determined by forces outside of our control." Of all the advanced economies on Earth, Americans, as you might expect, were the least likely to agree with that. We think our fate is in our own hands. We think that if we work hard, that we can get ahead. For all the challenges of the 21st century, for all the tough, grueling work that's been required to rebuild this economy and people rebuilding their individual lives after a terrible recession, we still believe that our destiny is written by us, not for us. We believe that this is a country where hard work should pay off and responsibility should be rewarded.

That's the principle all of you here at the Consumer Finance Protection Bureau deeply believe in. That's what you're fighting for every single day. That's what I'm going to keep fighting for as long as I have the opportunity to be President. And the Executive order I'm signing and the great work that the companies are doing who are participating here today is going to just be one more brick in that bridge that we provide to, hopefully, all Americans so that they can translate their dreams into reality.

So good job, everybody. Let me sign this.

*[At this point, the President signed the Executive order.]*

*The President.* Rich, I should mention, by the way, that I went to a restaurant up in New York when I was—during the General Assembly, and my credit card was rejected. *[Laughter]* It turned out, I guess I don't use it enough. They were—so they thought there was some fraud going on. *[Laughter]* Fortunately, Michelle had hers. And I was trying to explain to the waitress, no, I really think that I've been paying my bills. *[Laughter]* So even I'm affected by this.

Thank you very much, everybody.

NOTE: The President spoke at 12 p.m. at the Consumer Financial Protection Bureau. In his remarks, he referred to Executive Order 13681.

*Categories:* Addresses and Remarks : Improving the Security of Consumer Financial Transactions, signing an Executive order.

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