

April 2, 2025

Consumer Financial Protection Bureau  
1700 G St. NW  
Washington, District of Columbia 20552

**RE: Comments of ACT | The App Association to the Consumer Financial Protection Bureau (CFPB) proposed rule “Protecting Americans from Harmful Data Broker Practices”**

ACT | The App Association (the App Association) appreciates the opportunity to provide input to the Consumer Financial Protection Bureau (CFPB) in response to its request for comments on its proposed rule limiting certain practices by data brokers.<sup>1</sup>

**I. Statement of Interest & General Comments on Data Brokers and Other Business Practices Involving the Collection and Sale of Consumer Information**

In general, the App Association supports the CFPB’s efforts to better understand new business models that sell consumer data to exercise enforcement, supervision, regulatory, and other authorities. Consumer data essentially powers the internet, which has brought about both significant innovation as well as risks to those consumers. While the data that consumers generate about themselves through their online activities is valuable and should be accessible and portable to them, many harms consumers face also stem from the pervasive collection of data that they may unknowingly have generated. Many beneficial use cases of personalization and targeted advertising exist, but at the same time, they also give rise to abuse and privacy threats that can result in real-world damage.

The App Association is a global trade association for small and medium-sized technology companies. We work with and for our members to promote a policy environment that rewards and inspires innovation while providing resources that help them raise capital, create jobs, and continue to build incredible technology. Today, the value of the ecosystem the App Association represents—which we call the app economy—is approximately \$1.8 trillion and is responsible for 6.1 million American jobs. As the world has quickly embraced mobile technology, our member companies have been creating innovative solutions that power the growth of the internet of things (IoT) across modalities and segments of the economy.

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<sup>1</sup> [https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-stop-data-brokers-from-selling-sensitive-personal-data-to-scammers-stalkers-and-spies/?mkt\\_tok=MTM4LUVaTS0wNDIAAAGXLK8gdFA6SpR4zaYioFo4h51AaUBef57FSCmMoxfSiElzj9fh3K186cNw\\_SBZ3mloPNoQ0nmeVg4DgLN4Hj9R9u8qQ39ObyMbou3qH3dAOVj4](https://www.consumerfinance.gov/about-us/newsroom/cfpb-proposes-rule-to-stop-data-brokers-from-selling-sensitive-personal-data-to-scammers-stalkers-and-spies/?mkt_tok=MTM4LUVaTS0wNDIAAAGXLK8gdFA6SpR4zaYioFo4h51AaUBef57FSCmMoxfSiElzj9fh3K186cNw_SBZ3mloPNoQ0nmeVg4DgLN4Hj9R9u8qQ39ObyMbou3qH3dAOVj4)

The App Association’s members include many innovators who develop mobile technology products in both established and emerging markets, and they work to handle personal data with the appropriate care. Our members take privacy and consumer complaints seriously, and they care about how data is used and shared because it affects how their products function and how consumers engage with those products and services. Our members handle and work with data daily, so they are directly affected by consumer trust issues that abuse by data brokers may cause. Consumer trust is fundamental for competitors in the app economy, especially for smaller firms that may not have substantial name recognition. Strong data privacy protections that meet evolving consumer expectations are a key component of developing consumer trust in tech-driven products and services. The App Association helps shape and promote privacy best practices in a variety of contexts, including for apps directed to children and digital health tools, making us well-positioned to respond to this CFPB request for comment.

We believe the current lack of understanding and transparency of data broker practices makes users only more vulnerable to risks and makes it harder for policymakers to address the issue. Additionally, the lack of federal privacy legislation has allowed the data broker industry to profile millions of Americans in a legal grey zone.

## **II. App Association Views on Data Brokers and Privacy**

App Association members include leading app developers who build transparency and privacy concepts into their innovations “by design” as a matter of principle and ethics. Our members condemn the unethical or illegal sharing of sensitive financial information with third parties, particularly when it is done without the knowledge and consent of an individual. If consumers access their and their family’s data—some of which are likely sensitive—through a smartphone, users should have a clear understanding of the potential uses of that data by developers. Otherwise, most users will not be aware of who has access to their information, how and why they received it, and how it is being used. The downstream consequences of using data in this way may ultimately erode a user’s privacy and willingness to disclose information to his or her financial services provider. The App Association believes that it is in the best interest of the consumer/user to understand how their data is being used.

At the same time, the small business developer community the App Association represents already practices responsible and efficient data usage to solve problems identified across consumer and enterprise use cases. Since the inception of the General Data Protection Regulation (GDPR) in Europe and the subsequent adoption of similar measures around the world, our members have responded to evolving consumer expectations and enhanced market competition by meeting and, in many cases, exceeding relevant legal requirements. These efforts include the utilization of cutting-edge privacy-by-design approaches from the earliest phases of product development and the most advanced tools and methodologies available, such as

differential privacy techniques.<sup>2</sup> Complying with GDPR and other national and state privacy laws such as the California Consumer Privacy Act has given some of our members a competitive advantage over competitors who are not compliant and typically creates new opportunities through a thorough review of organizational processes.

The App Association appreciates and shares the CFPB’s interest in protecting user privacy through its consideration of data brokers. American consumers (and around the world) rely on our members’ products and services, with the expectation that our members will keep their valuable data safe and secure. The U.S. government should provide a framework outlining high-level data privacy and security guardrails that addresses individual access, data collection, uses and disclosures, consent and authorization, breach mitigation procedures and consumer notice, and security practices. Such requirements should be based on demonstrated risks to consumers, with technology-neutral measures, scaled to the levels of risk presented, as means for compliance. Such guardrails should ensure that consumers are oriented to the risks of sharing their data with third parties that are not financial institutions and better equip the regulators to hold third parties to sound privacy and security practices.

The App Association considers third-party collecting entities to be companies that collect personal data about an individual without attaining it directly from that individual, and whose principal source of revenue is derived from processing or transferring covered data that the covered entity did not collect directly from the individuals linked or linkable to the covered data. We urge CFPB to ensure that it excludes from its definition of a “data broker” first-party collectors and those that have a “principal source of revenue” other than processing or transferring personal data.

### III. Conclusion

We thank the CFPB in advance for its consideration of our views.

Sincerely,



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Policy Counsel

<sup>2</sup> Differential Privacy, HARVARD UNIVERSITY PRIVACY TOOLS PROJECT. <https://privacytools.seas.harvard.edu/differential-privacy> (last visited 17 February 2023).