



Taskforce on Federal Consumer Financial Law

Federal Deposit Insurance Corporation

I. Summary:

The Taskforce on Federal Consumer Financial Law (Taskforce) will examine the existing legal and regulatory environment facing consumers and financial services providers and report to Director Kraninger its recommendations for ways to improve and strengthen consumer financial laws and regulations. The Taskforce will produce new research and legal analysis of consumer financial laws in the United States, focusing specifically on harmonizing, modernizing, and updating the enumerated consumer credit laws—and their implementing regulations—and identifying gaps in knowledge that should be addressed through research, ways to improve consumer understanding of markets and products, and potential conflicts or inconsistencies in existing regulations and guidance.

During our meeting, the Taskforce Chair is interested in discussing ideas and perspectives from the Federal Deposit Insurance Corporation (FDIC) about recommendations the Taskforce can propose on how to improve and strengthen federal consumer financial protection considering ideas of innovation, inclusion, competition, and modernization of the regulatory framework.

II. Discussion Questions:

Below are a few questions to help facilitate the discussion but should not limit the discussion to these questions.

- 1. Inclusion and access:** Access to credit is a driver for wealth creation.
 - Are there regulatory issues that should be addressed at the federal level to promote greater access to consumer financial products and/or services to underserved or unbanked individuals?
 - What do we know about why consumers are outside the financial system? What do you think are the primary barriers to inclusion, and what public policies would reduce them? How does FDIC consider the impacts of regulations on inclusion, and do those considerations inform FDIC actions?
 - How do potential new entrances (e.g. Fintechs or traditionally non-financial companies) play a role to increase inclusion? What studies or regulatory reforms are needed to protect consumers while enhancing competition over the next ten to fifteen years?
- 2. Competition and innovation:** In competitive marketplaces there are typically abundant producers competing to provide consumers with the goods and services needed, and no single producer or consumer can dictate the market. Technology has led to rapid changes throughout the economy, and financial technology (or “FinTech”) has led to the development of new financial services and nontraditional financial service providers.
 - Are there markets where competition is not effective as it could or should be? Are there financial markets where competition does not create beneficial outcomes for consumers?
 - What conditions are limiting competition among financial institutions responding to consumer needs? Are there restrictions, legal barriers, or any other factors that limit financial service organizations providing services to consumers?
 - FDIC seems to have granted more industrial bank charters over the past few years. Is this market driven or a strategic effort being led by FDIC? What are the benefits of industrial banks, and what are some of the goals that FDIC for industrial banks?

FOR OFFICIAL USE ONLY

Pre-decisional

- 3. Consumer information and education:** Financial mobility and empowerment is enhanced by increases in formal education, financial education, and consumer choice. This is particularly true with vulnerable and protected populations.
- Do you think that providing information for consumers in disclosures are adequate for protecting consumers? How should disclosures be updated for the electronic age?
 - How does FDIC measure the effectiveness of its financial education efforts? What types of financial education and/or literacy programs have been most successful?
 - What information does the FDIC have regarding financial mobility? What actions does the organization take in order to promote financial mobility?
- 4. Closing:** Our intention is to hear what recommendations you would hope to see in the Taskforce report. What haven't we asked that you want to share?

FOR OFFICIAL USE ONLY

Pre-decisional