

Talking Points
Taskforce-CSBS Meeting
July 22, 2020 Meeting via WebEx

9:00am–9:05am	Taskforce Staff Director Nat Weber
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- Good morning. Before we begin, let me thank Cheryl Parker-Rose, Assistant Director of the Office of Intergovernmental Affairs, for helping to setup this conversation, and I'd also like to thank our colleagues from the Conference of State Bank Supervisors for making the time to meet with us.
- My name is Nat Weber, and I serve as Staff Director for the Taskforce on Federal Consumer Financial Law. I am joined by the Taskforce Chair, Todd Zywicki.
- Paralegal, Jeff Magliato, and Senior Counsel, Ashlie Tarpley, are also online to listen and take notes of our conversation.
- I am going to share the format of today's meeting then open the floor for introductions. Before I do that, please note that we will not attribute

- First, Chairman Zywicki will provide a brief background of the Taskforce and its mission. Then we hope to spend a majority of our time hearing the thoughts from our FRB colleagues on the discussion prompts we shared in advance of this meeting.
- Before I turn it over to Todd, I'd like to give the FRB attendees an opportunity to introduce themselves. **[PAUSE]**
- Thank you. Now, it is my pleasure to introduce the Taskforce Chair, Todd Zywicki. Todd is also Professor of Law at George Mason University (GMU) Antonin Scalia Law School, Senior Fellow of the Cato Institute, and former Executive Director of the GMU Law and Economics Center.
- Todd, the floor is yours.

9:05am–9:15am	Taskforce Chair, Todd Zywicki Speaking
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- Thank you, Nat. Good morning, everyone.
- Before I begin, I'd like to briefly acknowledge my colleagues on the Taskforce who are not on today's call. The other members are Jean Noonan, Bill MacLeod, Tom Durkin, and Howard Beales. Each member has committed their career to improving the health of America's financial system and consumer protection, and each has a distinguished record of public service. It is my honor to serve along side of them.
- As part of our mandate, we are leveraging a combined 150 years of professional experience as well as the extensive expertise that exists within and outside of the Bureau.
- So, what is the Taskforce; why does it matter; and what are some of our goals today?

- The Taskforce is in part inspired by the National Commission on Consumer Finance, which was created to conduct original research and provide Congress with recommendations relating to the regulation of consumer credit.
- The Commission's report contains original empirical data, information, and analyses—all of which undergird the report's final recommendations. The data, findings, and recommendations from the Commission were made public, and the report led to significant legislative and regulatory developments in consumer finance.
- Similarly, this Taskforce will examine the existing legal and regulatory environment facing consumers and financial services providers and will publish a two-volume report of our findings and recommendations.
- The first volume of the Taskforce's report will cover five key topics:
 - Consumer protection,
 - Information and consumer empowerment,
 - Competition and innovation,
 - Financial inclusion, and
 - Regulatory modernization.
- The Taskforce will use the insights gained to develop a second volume that will include a set of recommendations

for the Bureau on ways to improve and strengthen the application of financial laws and regulations.

- All of this activity is centered around the underlying principle of strengthening consumer protections in the financial marketplace, in accordance with our statutory mandate.
- I would add that the Taskforce is committed to engaging with the Bureau's state and Federal regulatory partners to hear your views and recommendations. We originally intended to engage with you and other organizations sooner, but the global pandemic delayed these meetings.
- Nonetheless, the insights shared today will serve as a guidepost for the recommendations that we will ultimately share with the Director. My intention is to understand your thoughts, and not to share the viewpoints or thoughts of the Taskforce on the topics we will cover.
- Let me pause here and see if anyone has any questions.
- Now let's get into meat of our conversation.

9:15am – 9:55am	<p>Follow the flow of the conversation to move through the discussion prompts. Recommend 10 minutes per topic.</p> <p><i>The full details of prompts were shared with CSBS prior to the meeting, so read as much of these as you feel is warranted.</i></p>
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1. On CSBS: CSBS supports state regulators in advancing the system of state financial supervision by ensuring safety, soundness and consumer protection; promoting economic growth; and fostering innovative, responsive supervision.
 - Where does CSBS provide the greatest value in the consumer financial regulatory system?
 - Are there markets that are better suited for state or regional oversight? National?
 - Are there regulations better suited for state or regional jurisdictions? National?

2. On Federal Engagement: The CSBS' Annual Reports shares how state regulators are collaborating with their peers in the federal government, coordinating with one another in the licensing of non-depository companies, and strengthening the dual-banking system.
 - What cooperative agreements with the Federal government are in-place and working well (e.g. the SCC)? Where can the federal government better coordinate with state banking supervisors?
 - Are there any existing rules or regulations that could be revised that would enhance CSBS or its members ability to fulfill their mission?

3. On 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.
- 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?
 - What trends in FinTech are you seeing today? With respect to state-federal cooperation, what studies or regulatory reforms are needed to protect consumers while enhancing competition moving forward through the next decade?
4. General: Our intention is to hear what recommendations you would hope to see in the Taskforce report. What haven’t we asked that you like to share?

9:55am–10:00am	Director Taskforce Chair, Todd Zywicki Speaking
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- I regret that we are running out of time. Thank you for sharing your thoughts and views.
- When I logoff this meeting, we are meeting with the full Taskforce to continue iterating on our recommendations. This discussion has already made me anxious to get back share what we've just discussed.

END EVENT, 10am, July 22, 2020