

Taskforce on Federal Consumer Financial Law

Conference of State Bank Supervisors

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 today's discussion, the Taskforce is interested in hearing ideas and perspectives from the Conference of State Bank Supervisors (CSBS) view on CSBS goals, how the Federal government can help advance those goals, and specifically key Bureau stakeholders on innovation, inclusion, competition, and modernization of the financial regulatory framework.

II. Discussion prompts

1. **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. **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. **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. **Closing:** 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?

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Pre-decisional