

Taskforce on Federal Consumer Financial Law

Office of the Comptroller of the Currency

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 Office of the Comptroller of the Currency (OCC) 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. **Regulatory modernization and flexibility:** The development of the national economy of consumer finance led to the growth of consumer protections in the 1960s-70s. Today consumers shop for and use financial products differently than at that time.
 - How do we protect consumers from new threats while enabling providers to develop new and better ways to serve their needs?
 - The pandemic highlights the need to ensure the Federal government can quickly adjust and provide regulatory flexibilities. How do we create a system that is responsive to acute market disruptions (i.e. 9/11, the 2008 financial collapse, COVID) while providing a stable regulatory framework for consumers?
 - There is some thought that the AML and BSA laws with their groundings in issues beyond the immediate purview of consumer financial protection, nevertheless these laws impact the free flow of financial services at the lowest economic cost (which is traditionally within the realm of consumer protection). For example, in the remittance space, the low-income immigrant community faces additional costs. What can be done to smooth the frictions between AML/BSA goals and the overall consumer experience and consumer protection arena?

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- 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?
 - What trends in FinTech are you seeing today? What studies or regulatory reforms are needed to protect consumers while enhancing competition over the next ten to fifteen years?
 - How is OCC dealing with the push back it has received from state entities regarding the OCC plan to issue charters to non-deposit taking financial businesses?
- 3. Legal framework of consumer protection:** Consumer financial protection is promoted by a framework of laws, regulations, decisions, directives, regulatory policies, guidelines, recommendations and procedures made by numerous state and federal regulatory organizations.
- Are there areas in which existing consumer protection laws are inadequate or need to be strengthened to ensure consumers are adequately protected?
 - How can the Bureau use its regulatory tools of rulemaking, enforcement, supervision, and education effectively to maximize consumer welfare?
 - What are the costs and benefits to having a CFPB, a FDIC, an OCC all engaged in the work of consumer protection? Are there comparative advantages found in each organization that should be leveraged more or are there benefits in some amount of jurisdictional overlap?
- 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?

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