



Taskforce on Federal Consumer Financial Law

Federal Trade Commission

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 Trade Commission (FTC) 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. **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?
 - Does FTC have any competition thoughts expressly applicable to the financial services industry related to issues of consumer protection?
2. **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 FTC and Bureau use their regulatory tools of rulemaking, enforcement, supervision, and education effectively to maximize consumer welfare?
 - Are there areas of CFPB and FTC overlapping jurisdiction/work? Are any of these areas more appropriately handled by either the FTC or the CFPB?

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- Should FTC unfair deceptive practice authority be expanded to include abusive like the CFPB Dodd-Frank granted unfair, deceptive, abusive (UDAAP) authority? Does the added “abusive” category add any value to the regulator’s work and somehow improve consumer protection?
- 3. 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?
 - How is FTC balancing the need for flexibility to deal with rapid changes being driven by advances in technology while preserving predictability of the regulatory framework? Has the FTC evaluated costs and benefits of rules-based versus principle-based regulations?
- 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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