

**Waters Amendment (#3) to the Views and Estimates of the Committee on
Financial Services on Matters to be Set Forth in the Concurrent
Resolution on the Budget for Fiscal Year 2019**

Offered by Ms. Waters of California

Add at the end the following:

FINTECH

Financial technology, or “fintech,” is a broad term used to describe a wide spectrum of technological innovations that impact a range of financial activities, like marketplace lending, mobile payments, deposits, savings, budgeting, digital currencies, blockchain accounting, digital wealth management, capital raising, insurance, regulatory compliance, and other activities. Despite the use of new terminology, fintech is simply using technology to provide financial products and services by banks and non-bank financial companies.

Committee’s View: The Committee believes developments in fintech can be a catalyst for responsible innovation, and with appropriate safeguards, can help to increase access to credit for underserved communities. There have been a number of regulatory developments in the fintech space in recent years. This includes the Treasury Department issuing a report on marketplace lending with various recommendations; the OCC developing a special purpose national bank charter for fintech; several fintech non-bank companies applying for an Industrial Loan Corporation charter from the FDIC; and the Consumer Bureau issuing its first no-action letter for a company using alternative data to make credit and pricing decisions. Furthermore, regulators are examining new payment technologies and cryptocurrencies, like Bitcoin, as well as robo-advising and other investor-related developments.

Despite this progress, Congress generally has been slow to keep up with the rapid developments in this space. The Committee will embark on an extensive oversight agenda to look into all of these developments, examine the current legal framework that applies to fintech, and consider legislative changes that are rooted in the promotion of responsible innovation; inclusion and protection of consumers; and, preservation of and support for our nation’s community banks and credit unions.