John Ryan statement on the CFPB Taskforce on Federal Consumer Financial Law Report

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Statement from John W. Ryan, CSBS president and CEO, on the Consumer Financial Protection Bureau's Taskforce on Federal Consumer Financial Law Report recommendations:

This report and its recommendations fail to recognize the critical role that state regulators play in protecting consumers and facilitating the safe innovation that consumers have come to expect in financial services.

The recommendation for a federal fintech license under the guise of consumer protection is particularly troublesome. A federal license would prioritize convenience for a few established players over consumer protection, innovation and a level playing field.

Congress has preserved states' authority to regulate nonbank fintechs and, as a federal court has confirmed, Congress has not granted such authority to the OCC, CFPB or any other federal agency. Under the current system, federal regulators set the floor for consumer protections, enabling states to adopt and enforce stricter measures. Optional federal licenses for fintechs would undermine this system and put customers at risk.

We look forward to continuing our collaborative relationship with the CFPB and other federal partners to ensure that their efforts complement the states' consumer protection work.

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