



March 15, 2019

Chairman Mike Crapo and Ranking Member Sherrod Brown  
U.S. Senate Committee on Banking, Housing, and Urban Affairs  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

**Re: Finicity Feedback on Data Privacy, Protection, and Collection**

Finicity Corporation (“Finicity”) welcomes the opportunity to comment on the collection, use and protection of sensitive information and steps that can be taken to empower consumers with how their data is used, stored and distributed.

**Background**

Finicity is a data access and insights company based in Salt Lake City, Utah. Since our founding in 2000, we have worked to provide people with financial data that would enable them to better understand and improve their financial health. To further that goal, we built financial data API connections to financial institutions that enable consumers to permission their data for use in third-party applications or solutions. Early in our history this meant enabling consumers to access their data in personal finance management and budget applications. Today it means consumers are able to use their personal financial data to speed up the process of getting a loan, verify and authenticate bank accounts for instant payments, manage their finances, and contribute data for a more accurate credit report and score.

Our years of experience have placed us at the forefront of the mortgage industry as we help to power the nation’s largest lenders by providing the tools they need to simplify and digitize the origination process. Also, as the only registered consumer reporting agency in the data aggregation [access and insights] space, we uniquely empower consumers with dispute and disclosure procedures that are in compliance with the Fair Credit Reporting Act (FCRA) whenever their data is used for credit decisioning purposes.

We believe a consumer’s ability to control and permission the use of their financial data will be a major innovation driver for financial services. Such innovations will provide individuals, families, and small businesses significant and meaningful [financial] insights to their finances thus empowering them to make smarter financial decisions. However, this innovation requires unifying the consumer financial services industry around a common, interoperable standard for the secure access of consumer and business financial data. Consequently, over the last two years, Finicity helped lay the foundation for the Financial Data Exchange (FDX), a nonprofit dedicated to unifying the financial industry around a common, interoperable, royalty-free standard for the secure access of consumer and business financial data. Adoption of a common interoperable standard among industry stakeholders will lead to added security and enhanced privacy of consumers’ data and eliminate unnecessary barriers for Data Users to access data to provide consumers with needed financial tools or products.

**General Comments**

Changes in technology have brought about a digital revolution that has already started to give consumers access to a new universe of products and services that will revolutionize the consumer financial services industry. However, this digital revolution [has introduced a new set of challenges and risks. Finicity thus believes that creating an ecosystem that prioritizes consumer protection without disrupting or impeding



innovation is the responsibility of all stakeholders involved. Finicity is committed to exploring and finding solutions that will protect consumers and give them more control over their data.

Finicity believes the stakeholders within the consumer financial services industry can come together to develop standards and best practices for securely sharing data that enable consumer choice and promote innovation. Finicity agrees that there is a need to address the broad topic of data privacy, however, consumer financial data should not be part of that solution but rather treated separately using the existing legal framework. Finicity supports a principles-based approach under the current laws to address these ever-evolving challenges around security and control over consumer financial data. Innovation is driving advancements in technology at such a rapid pace that any approach to these issues must be able to keep pace without becoming outdated and ineffective.

Instead, Finicity believes that consumer interest must be the focus as the Committee and industry stakeholders work together to give consumers more control of their data. Finicity believes there are some key principles that are fundamental to providing consumers with choice, protection, and value:

- **Access** – Consumers have a right to access their data. Additionally, consumers' ability to give third party service providers permission to securely access their data increases consumer choice by promoting healthy market competition and innovation.
- **Control and Informed Consent** – Consumers should have control over their financial data. Third party access to data should be based on informed and express consumer permission. Disclosures and terms of access/sharing should be clear, complete, transparent, and not coerced. Revocation of consent should be simple.
- **Security** – Protection of consumer financial data is an absolute priority. Consumers should not have to sacrifice data security or accessibility to realize the benefits of the rapidly advancing fintech services market. Market solutions such as direct data connections between stakeholders along with industry-wide security and breach notification standards can significantly enhance security for consumers.

## Conclusion

We thank the Committee for the opportunity to provide feedback regarding consumer data privacy, protection, and collection. We look forward to a continued dialogue in order to help consumers by establishing standards and safeguards that will benefit all parties.

Please feel free to contact us at (801) 984-4202 or by email at [steven.smith@finicity.com](mailto:steven.smith@finicity.com) should you have any questions or comments.

Sincerely,

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Finicity Corporation