**Crapo Statement at Fintech Hearing**

WASHINGTON – U.S. Senator Mike Crapo (R-Idaho), Chairman of the United States Senate Committee on Banking, Housing and Urban Affairs, today delivered the following remarks during a full committee hearing entitled: “Evaluating the Fintech Landscape.”

The text of Chairman Crapo’s remarks, as prepared, is below.

“This morning, we will receive testimony on the growing financial technology, or fintech, industry.

“Fintech is providing new and innovative products and services in areas such as marketplace lending, digital payments and currencies, wealth management, insurance and more.

“Technological innovation has brought about improvements in virtually every sector of the economy and the financial sector is no exception.

“Technology advances are nothing new to the financial world; inventions such as the ATM and the credit card led to significant improvements in consumer welfare.

“Today, new innovations by “fintech” companies have similar potential to make financial services faster, cheaper and more accessible.

“For example, marketplace lending has the potential to expand the availability of credit to consumers and small businesses at lower costs.

“In particular, with the use of alternative data and technology, the business models of marketplace lenders may enable them to reach underbanked populations.

“Innovations in the payments space can offer enhanced speed, convenience and efficiency in transactions.

“Fintech startups are not the only ones embracing this opportunity and responding to changing consumer demand.

“Traditional banks and other established financial institutions are increasingly participating in the fintech space through partnerships, incubators, investments and more.

“Fintech firms may also reap the mutual benefits of partnering with banks who have well-established operations and comparative advantage in certain areas.

“But, with all the potential fintech has to improve the financial services sector, the industry is still relatively new.

“Uncertainty remains around questions like data security and the proper regulatory treatment to ensure consumers and the financial system are safeguarded.

“The recent Equifax data breach reminds us of the critical need to ensure areas like cyber and data security are given the proper attention.

“The tremendous growth in this sector over the past few years has gained the attention of market participants, regulators and other stakeholders.

“The OCC, for example, has a proposal to provide special purpose national bank charters for fintech companies.

“Other governments are exploring options such as a regulatory sandbox approach that encourages innovation by allowing firms to test products and services in a supervised environment.

“In response to this Committee’s call for economic growth proposals, we received a number of fintech-related submissions that will also help us as we think about these issues.

“Today, I look forward to learning more about the opportunities fintech may bring, the various ways fintech is interacting with and impacting the financial system, and current regulatory oversight of the fintech industry.”

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