

April 13, 2017

The Honorable Mike Crapo  
Chairman  
Committee on Banking, Housing, and  
Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building  
Washington, DC 20510

The Honorable Sherrod Brown  
Ranking Member  
Committee on Banking, Housing, and  
Urban Affairs  
United States Senate  
534 Dirksen Senate Office Building  
Washington, DC 20510

Dear Chairman Crapo and Ranking Member Brown:

Thank you for the opportunity to submit a proposal to increase economic growth and improve participation in the economy. The Consumer Financial Data Rights (CFDR) Group, a consortium of financial technology companies on whose services approximately 100 million consumers and small businesses depend for vital financial services and financial wellness applications, appreciates this opportunity to submit legislative language that would have a meaningful economic impact.

The CFDR's proposal would ensure that Americans and small businesses continue to benefit from financial innovation and powerful, technology-based tools on which they depend to improve their financial well-being.

### **Impact on economic growth**

[McKinsey estimates that there may be as many 12,000 fintech firms](#) providing goods or services to consumers and small businesses. According to [VBProfiles' most recent FinTech Landscape Report](#), the fintech market has a value approaching \$1 trillion. Globally, nearly \$23 billion of venture capital and growth equity was deployed to fintech firms between 2008 and 2014, with \$12.2 billion deployed in 2014 alone.

The CFDR collectively serves approximately 100 million consumers through the products and services that its members provide, providing these customers with important tools to help them manage their finances, increase their savings, invest smarter, and better position themselves financially.

### **Impact on the ability of consumers and market participants to participate in the economy**

The fintech industry is providing tools for consumers and small business to help them improve their financial wellbeing, and is doing so driven mostly by data insights. Large swaths of traditionally underserved consumers and small businesses have received access to affordable credit and banking services, budgeting and automated savings platforms, and tools that allow them to take control of their financial well-being.

The ability of fintech to provide these valuable tools is dependent wholly on the continued ability of consumers and small businesses to safely and securely permission access to their financial transaction data to fintech platforms.

## **Legislative Text**

### **Section 1. Short Title.**

This Act may be cited as the “Empowering Consumer and Small Business Financial Choice and Competition Act.”

### **Section 2. Definitions**

As used in this Act, the following definitions shall apply:

- (1) “customer” means any person or authorized representative who utilized or is utilizing any service of a financial institution, or for whom a financial institution is acting or has acted a fiduciary, for household or small business purposes;
- (2) “financial institution” means any institution that holds insured deposits, makes or services loans, holds investment, retirement or brokerage accounts, or provides insurance to customers located in any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the Virgin Islands;
- (3) “Government authority” means any agency or department of the United States, State, county, or local subdivision or any officer, employee, or agent thereof;
- (4) “third party” means any person or entity located in any State or territory of the United States, the District of Columbia, Puerto Rico, Guam, American Samoa, or the Virgin Islands other than a Government authority; and
- (5) “account information” means the balance, transaction records, fees, investment holdings, account number, and routing information, but not the PIN or security code with an account, associated with any service of a financial institution.

### **Section 3. Customer authorizations**

A customer may authorize disclosure to any third party other than a Government Authority under this Chapter if he or she furnishes to the financial institution and to the third party their written approval which—

- (1) authorizes such disclosure for however long the customer elects, including indefinitely;
- (2) states that the customer may revoke such authorization at any time;
- (3) identifies the account and the account information, including all account information, to be disclosed; and
- (4) identifies the third party to which account information is to be disclosed.

### **Section 4. Privacy of account information**

No financial institution, or officer, employee, or agent of a financial institution may provide to any third party access to or copies of, or the account information authorized for disclosure except upon certification that the third party adheres to the relevant requirements of Chapter 94 of Title 15 unless a customer provides approval to do so under Section 3.

### **Section 5. Duty of financial institutions**

- (a) Except as provided by subsection (b), upon receipt of a request for disclosure of account information made by a customer under section three of this title and certification by the third party under section four of this title, the financial institution shall immediately provide in electronically useable form to the third party the account information authorized by the customer for disclosure; and
- (b) A financial institution may discharge its obligation under this Act by adhering to any standard for access to information promulgated by the Bureau under its authority under Section 5533 of Title 12.

On behalf of the members of the CFDR Group, thank you once again for this opportunity to share our perspective. We would of course welcome the opportunity to discuss our proposal with you or your staffs at your convenience.

Sincerely,

Steven Boms  
Vice President, Government Affairs  
Envestnet Yodlee