

Crapo Statement at Fintech Hearing
September 18, 2018

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

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

“Today, we will hear four very unique perspectives on a segment of financial technology, or ‘fintech.’

“Almost exactly one year ago, the committee held a hearing to explore the various sectors and applications of fintech.

“In the short time period between that hearing and this one, many developments and innovations have occurred, both in the private sector and on the regulatory front.

“Digitization and data, in particular, are constantly evolving, challenging the way we have traditionally approached and conducted oversight of the financial services sector.

“As technology has developed and the ability to readily and cheaply interact with and use data has flourished, we have experienced a sort of revolution into the digital era.

“This digital revolution brings with it the promise of increasing consumer choice, inclusion and economic prosperity, among other things.

“Less than a decade ago, the concept of mobile banking, a simple transaction, was relatively new.

“Now, consumers have countless options by which to interact with and access their financial information and conduct transactions.

“As this marketplace rapidly develops, so must we constantly evaluate our regulatory and oversight framework, much of which was designed prior to the digital era.

“To the extent that there are improvements that can be made to better foster and not stifle innovation, we should examine those.

“Although these technological developments are incredibly positive, the increased digitization and ease of collecting, storing and using data presents a new set of challenges and requires our vigilance.

“Many products and services in the fintech sector revolve around big data analytics, data aggregation and other technologies that make use of consumer data.

“Oftentimes these processes operate in the background, and are not always completely transparent to consumers.

“It is important for consumers to know when their data is being collected and how it is being used.

“It is equally important for the companies and the government alike to act responsibly with this data and ensure it is protected.

“As we have seen in recent years, this can be a challenging task.

“In order to fully embrace the immense benefits that can result from technological innovation, we must ensure that proper safeguards are in place and consumers are fully informed.

“Today, I hope to hear from our witnesses about: the ways in which fintech is changing the financial sector and the improvements that can be made to ensure the regulatory landscape welcomes that innovation; what kind of data is being collected and used, and how such data is secured and protected; and what are the opportunities and challenges going forward?

“Senator Brown.”