



March 2, 2018

Acting Director Mick Mulvaney
Consumer Financial Protection Bureau
1700 G Street, NW Washington, DC 20552

Dear Director Mulvaney:

On behalf of the Online Lenders Alliance, thank you for the opportunity to participate in the Industry Roundtable on February 15. We were delighted to be a part of your ongoing stakeholder engagement and left the meeting with a renewed commitment to work closely with the Bureau.

OLA is the center for lending, technology and innovation, representing the growing industry of companies offering loans online. Every day our members embrace and advance the first goal of the Bureau's Strategic Plan – to “ensure that all consumers have access to markets for consumer financial products and services.”

Your willingness to rethink the Bureau's relationship with those it regulates is welcomed by the people and companies who are innovating to better serve consumers. Although the Bureau has made an effort to support innovation through Project Catalyst, its impact has been limited due to several factors.

When first announced, Project Catalyst was to be an initiative to “encourage consumer friendly innovation.” However, these lofty goals were often overshadowed by an aggressive enforcement regime that had a chilling effect on the development of new products and services. No place was this disconnect more apparent than in the Bureau's use of No-Action Letters. Touted as a vehicle “to facilitate consumer-friendly innovations where regulatory uncertainty may exist” these letters failed to deliver on the most important aspect of a No-Action Letter – the promise that *no action* would be taken. This limited their potential to serve as a tool for innovation and was no doubt a contributing factor to why, in the nine years since Project Catalyst came into existence, only a single No-Action Letter has been issued.

There are a wide range of opportunities for the Bureau to ensure Project Catalyst reaches its full potential of encouraging innovation in financial products and services, while also protecting consumers. This will require an approach that applies the Bureau's full toolbox of resources. A key component in reimagining Project Catalyst will be examining ways to make regulations more flexible. In addition, efforts to support innovation through waivers, guidance documents, and No-Action Letters could all play key roles and should be considered.

Finally, statements of enforcement policy could be used in helping to establish the kind of explicit guardrails that open room for innovation. In total, there is no one silver bullet to support and encourage the development of new technologies, but by employing every option available we can encourage marketplace innovation that creates the next generation of financial products for consumers in a safe manner.

OLA has always believed that innovation and consumer protection are wholly compatible. To that end we have set industry standards and best practices by which our members operate, ensuring that customers are fully informed and have the best possible customer experience,

We look forward to working with you to follow through on the issues discussed at the roundtable and, in particular, enhancing Project Catalyst to become a key component in the efforts to improve consumer access to credit and other financial services.

If you have questions or would like additional information, I can be reached at lmcgreevy@oladc.org.

Very Truly Yours,



Lisa S. McGreevy

President and CEO