



Online Lenders Response to Consumer Financial Protection Bureau Request for Information
Regarding Consumer Access to Financial Records Docket No.: CFPB-2016-0048

VIA ELECTRONIC SUBMISSION

February 21, 2017

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW Washington, DC 20552
Ms. Jackson

Introduction

Dear Ms. Jackson:

The Online Lenders Alliance (OLA) welcomes the opportunity to submit comments in response to the Consumer Financial Protection Bureau's (CFPB) Request for Information Regarding Consumer Access to Financial Records (RFI) as outlined by Section 1033 of the Dodd-Frank Act. As consumers have become increasingly comfortable accessing financial products over the internet, it has led to the development of new and innovative products to meet these demands. An important element is consumer data along with the ability to access this data and share it with third parties. OLA strongly supports consumer financial data rights which is why all OLA members have agreed to a Best Practices and Code of Conduct that goes above and beyond the legal and regulatory standard on a broad range of issues including elements covering the protection of consumer data. We appreciate the opportunity to provide our perspective into the critical importance of consumer financial data rights and support efforts to enhance consumers' abilities to access their financial information.

About OLA and its Members

OLA represents the growing industry of innovative companies that develop and deploy financial technology, including proprietary and innovative underwriting methods, data analytics, and non-traditional delivery channels, to offer online consumer loans and related products and services. OLA members include online lenders, as well as vendors and service providers to lenders, such as consumer reporting agencies, payment processors, and online marketing firms. Our members provide unsecured installment loans to millions of American consumers, a much-needed credit product for those who do not have other realistic or safe options to meet unexpected or emergency expenses or to make ends meet when money is tight. These loans provide convenience that consumers value.

Online lenders and their service providers have pioneered innovative online techniques for advertising and marketing, preventing and managing fraud risk, underwriting and managing credit risk, servicing loans, and conducting collection activities in a manner that is fair and transparent to consumers seeking and obtaining loans over the internet. Online lenders provide benefits to consumers, particularly those in underserved communities, with fast, safe, and convenient choices that simply are not available through traditional lending markets.

Much of the innovation undertaken by OLA members has enabled consumers' greater connectivity to their data across multiple applications and platforms in a safe and accessible manner. We would encourage CFPB, as you evaluate consumer access to data, that strong consideration is given to structure and policy that enable innovators to interact with each other and share data. This is an important element in creating an environment that gives consumers greater control over finding products that best protect fit their needs.

Current Practices

While often considered in its infancy, electronic financial data and the need for consumer access has been a key part of our nation's financial market for over two decades. Through the innovation of Fintech firms, we have seen the creation of new applications and access through mobile devices. The development of these new products has been dependent and will continue to be dependent on consumers' ability to access their data.

The process for accessing this data for app developers or a third-party can be very different compared to how main stream financial institutions access the consumer information they hold. Where they have a direct pipeline, third parties or app developers must connect to this data using a designated conduit, or additional programs. This can be unreliable at times, and restrictive due to out-of-date processes. Most impacted by these disruptions are the consumers who can see their ability to rely on these valuable tools diminished. This might result in consumers making financial decisions based on incomplete information, or consumers' access to innovative online credit or payments products may be restricted. Regardless of these hurdles, Fintech firms have been able to lead the way in developing new products benefiting the consumer.

Often, a lack of security and the potential liability exposure is cited as a rationale for limiting third party access to data. This is used as justification for many of the processes and protocols in place that hamper a consumer's ability to access and share their data. OLA and its members take data security very seriously, which is why we have established Best Practices and a Code of Conduct. In addition, the very technology that has allowed Fintech firms to develop new products has also been key in the development of strong security protocols. These providers must also comply with provisions of Gramm/Leach/Bliley to the extent that they obtain and redisclose personally identifiable financial information from banks. Additionally, they may also be subject to supervision by financial regulators such as FFIEC.

With an overlapping and mismatched structure, the current environment for consumers' ability to access data is very much a mixed bag. Consumer demands for new and expanded services have led to growing partnerships between traditional lending institutions and Fintech firms to meet these needs. Still, some hesitation does remain. The only way to change this dynamic is to foster an innovative and collaborative environment among all stake holders involved

Potential Market Developments

For innovation to reach its full potential of creating the next generation of financial service products, all stake holders must be on an equal footing. More and more consumers are choosing nontraditional service providers to meet their financial needs. This is a significant trend that can no longer be over looked. Allowing all stake holders an equal voice not only reflects market realities, it can help enhance security, and increase the consumers' ability to control their own financial direction.

Consumers should have the right to access all their data on their own terms, for any purpose that they wish. This is an important distinction and should be a key element when considering potential changes to the marketplace. A way to rectify this imbalance is through guaranteeing that consumers have unfettered access to their data and the ability to determine who they share that data with.

Overall, an open marketplace that does not favor one technology over another or give any one industry an ability to dominate or dictate trends is important. Such an ecosystem could allow for the teaming of platforms and services that work in concert with each other; potentially giving consumers much more effective access to their financial services.

The growth in this market has been led by consumer demand and must continue to be the driving force. An important way to ensure that continues is through guaranteeing the rights of consumers to access their data, which is why OLA advocates for strong consumer financial data rights and support efforts to strengthen consumers access to their financial information.

Conclusion

Consumers desire to have cutting-edge financial products has played an important role in driving market development and should continue to be encouraged. OLA members support unencumbered consumer access to their financial data. This will be a critical component to enabling greater consumer control over their financial choices, ultimately improving their financial health. It is incumbent on all stake holders, banks, agencies, app developers, and third party aggregators to work in concert towards market place enhancements.

The members of OLA appreciate the opportunity to share our views. We look forward to working in a collaborative manner to reducing barriers and enhancing consumer financial options. If you have questions or would like additional information, I can be reached at lmcgreevy@oladc.org.

Very Truly Yours,

A handwritten signature in blue ink that reads "Lisa McGreevy". The signature is written in a cursive, flowing style.

Lisa S. McGreevy President and CEO