

January 30, 2019

Fintech to Remain a Policy Priority Area for the House Financial Services Committee

Rep. Maxine Waters (D-CA), Chairwoman of the House Financial Services Committee, recently delivered her [first policy speech](#) in the 116th Congress. In her remarks, Chairwoman Waters included fintech as one of the priority areas for committee focus and scrutiny during the next two years.

According to Waters, regulators “need to address the evolving financial marketplace appropriately,” and she stated that the House Financial Services Committee “will be paying very close attention to” the growth of fintech companies. “As Americans are banking and accessing credit in new ways, it is important that we encourage responsible innovation with the appropriate safeguards in place to protect consumers and without displacing community banks and credit unions. I have great hopes that fintech firms can open up opportunities for those who have been excluded from access to responsible credit, but I strongly believe that there must be strong protections for consumers of these financial products, and that abusive payday lending practices must not be allowed. As the fintech sector grows, there are opportunities for unmet credit needs to be addressed, as well as risks that minority communities may be preyed upon or discriminated against by some of these companies,” stated Waters. She noted that the Committee “will be closely examining these issues” to ensure “that our regulators eliminate the risks, and meet the opportunities.”

As one example of fintech’s legislative importance on Capitol Hill, [H.R. 56, the Financial Technology Protection Act](#), which passed the House in the 115th Congress, was passed again by the House in a voice vote on January 28, 2019. This bill would strengthen and expand efforts to deter terrorist and illicit abuses of financial technology through interagency coordination and research, and through collaboration with private institutions and citizens. This bill would establish a public-private sector task force, a grant program to encourage the development of largely open-source tracking technology, and a whistleblower reward program to counter terrorist uses of digital currencies. The bill also would require the government to examine how state and non-state actors, including foreign terrorist organizations, use these cryptocurrencies to evade sanctions, finance terrorism, and launder money. “As stated in last year’s National Money Laundering Risk Assessment from the U.S. Department of the Treasury, many cryptocurrencies are being designed to make virtual currency transactions untraceable and are increasingly being used by bad actors. The talent and technological capabilities to track these transactions must keep up so the government can identify terrorists, hackers, and other criminals who try to hide their activities and proceeds using cryptocurrencies and related exchanges,” stated Waters.

H.R. 56 was introduced by Rep. Ted Budd (R-NC) and Rep. Stephen Lynch (D-MA), members of the House



Financial Services Committee. Chairwoman Waters selected the bill for floor consideration and worked with Rep. Patrick McHenry (R-NC), Ranking Member of the House Financial Services Committee, to obtain bipartisan support. The bill has now been received in the Senate and referred to the Committee on Banking, Housing, and Urban Affairs.

Stay tuned for additional updates!