

Embedded Finance (Bank-Fintech Partnerships)

Embedded finance builds on models used for decades to enable banks and nonbanks to partner in order to expand the creation and delivery of financial product offerings and services such as deposit accounts, debit and credit cards, and loans. Embedded finance democratizes financial services and empowers consumers to safely transact, shop, invest and access their finances on their own terms with the full confidence of existing bank regulation and consumer protection.

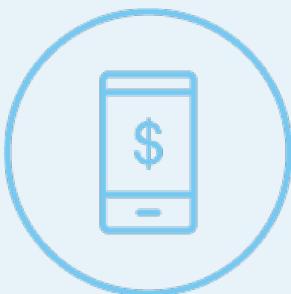
AFC advocates for clear regulatory frameworks, unified supervision, regulatory modernization, and consistent guidelines to foster responsible innovation in Embedded Finance partnerships. Banks have historically been trusted with protecting the integrity of the financial system and should be encouraged to innovate to best meet the needs of families who have been historically underserved by the financial services industry.

How Does It Work?



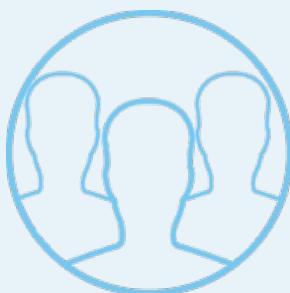
Banks

Banks use their compliance and risk management expertise in Embedded Finance partnerships to ensure safe, consumer-protected products and services are offered to consumers, especially those in historically underserved communities.



Fintechs

Fintech companies use their expertise in developing innovative processes and activities to improve efficiency and customer experience, allowing banks the opportunity to access niche markets, increase their competitiveness, and meet consumers where they are in the financial system.



Consumers

Consumers gain from Embedded Finance partnerships with improved access to innovative, convenient, and tailored financial solutions, enhancing their experience. This partnership fosters digital banking ease, expands financial inclusion and literacy, and empowers individuals with greater financial control.

