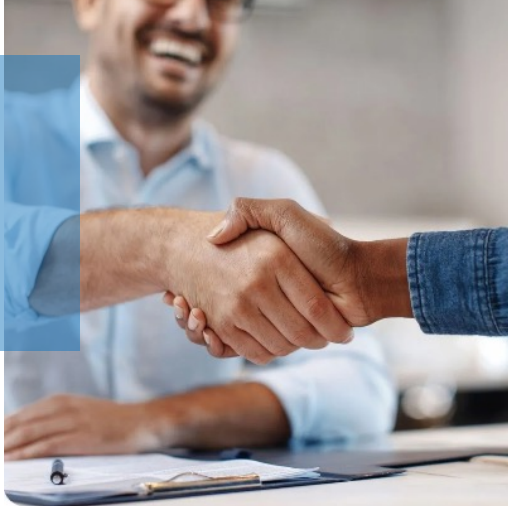
American Fintech Council

Promoting a transparent, inclusive, and customer-centric financial system



2026 Mid-Year Report

FINTECHCOUNCIL.ORG

853 New Jersey Ave. SE | Suite 200
Washington, D.C. 20003

A Message From Our CEO

PHIL GOLDFEDER

Dear AFC Members,

The first half of 2026 has been a busy and consequential period for financial services policy. As you know, AFC has remained actively engaged across every major front shaping the future of our industry. From Congress to federal agencies to state legislatures, we've worked to advance responsible innovation through clear, pragmatic, and risk-based frameworks that reflect how fintech products are actually used by consumers and businesses.

At the federal level, we made significant progress on a wide range of priorities, with a simple and consistent focus on technology-neutral rules built on real industry and consumer risk. We've supported and helped pass new legislation that avoids forcing new and responsible products into outdated regulatory boxes. We also continued advocating for modernized supervisory approaches that better reflect today's financial infrastructure.

State-level advocacy remained a major priority as policymakers across the country considered legislation and regulation affecting lending, earned wage access, data privacy, and bank-fintech partnerships. As states continue to pursue differing approaches to financial regulation, AFC worked to advance responsible frameworks, support access to safe and affordable credit, and oppose proposals that would create unnecessary regulatory fragmentation or undermine longstanding banking principles.

We were also pleased to welcome nearly two dozen new members to AFC in the first half of the year, as well as welcoming Pathward and Greensky to our board. This was an exciting period of growth for a membership that now spans nearly 175 innovative banks, fintech companies, and legal and strategic partners, all working toward a more modern and accessible financial system.

As we move into the second half of the year, AFC will remain focused on advancing pragmatic, durable policy solutions that improve consistency across federal and state frameworks, enhance supervisory clarity, and preserve access to responsible financial products.

We look forward to continuing our work together and building on our success this year!
As always, thank you for everything you do to make AFC a vital and impactful community!

Chair of the Board of Directors

EZRA GARRETT

Senior Vice President of Public Affairs, Oportun

Dear AFC Members,

Thus far, this year has represented a significant phase of sustained progress for the American Fintech Council. Our coalition has experienced continued growth, further establishing its standing as the preeminent advocate for responsible innovation, consumer protection, and regulatory transparency within the fintech and financial services sectors.

Over the last six months, we have welcomed an impressive new cohort of members and partners into the AFC community, further diversifying our ecosystem of innovative fintechs and forward-thinking banks. Our team and membership has actively driven national conversation, securing consistent coverage across major financial and mainstream media outlets to ensure our industry's perspective is heard loud and clear. Through collaborative working group meetings, educational webinars, and regional roundtables, we have kept our membership aligned and equipped to navigate an increasingly complex landscape. This continuous engagement is already laying the crucial groundwork for our Policy Summit later this year.

In an environment of evolving legislative and regulatory dynamics, AFC's advocacy remains rooted in our core principle: championing a transparent, inclusive, and consumer-centered financial system. We firmly believe that robust industry standards and modern regulatory frameworks go hand-in-hand with fostering healthy competition and expanding access to safe, affordable financial tools for everyday Americans.

The achievements of this first half of the year are a direct reflection of your dedication, insight, and partnership. Thank you for your continued engagement and commitment to our shared mission. Together, we are not just adapting to the future of financial services, but are actively shaping it.

I look forward to building on our success as we drive our mission forward through the remainder of 2026 and beyond.

Sincerely,

Ezra Garrett, Chair of the Board of Directors, American Fintech Council

2026 Membership Update

WELCOME TO THE BOARD

GreenSky
pathward

MEMBERS

ALLOY
finzly
floatme
kashable
Lead
LITHIC
nelnet
QuickFi By INNOVATION FINANCE
Spinwheel
VIVA FINANCE

LEGAL ADVISORY COMMITTEE MEMBERS

BLANKROME
Cooley
McGuireWoods
PAUL HASTINGS
Steptoe
Taft/
troutman pepper locke
WOMBLE BOND DICKINSON

STRATEGIC PARTNERS

CLA Canadian Lenders Association
THE ISRAEL FINTECH CENTER
OLIVER WYMAN A MARSH BUSINESS
pwc

2026 By The Numbers

MEDIA | EVENTS | EDUCATION

82 PRESS RELEASES

7 WEBINARS

53 NEWS MENTIONS

43 SPEAKING ENGAGEMENTS

29 CONFERENCES & EVENTS ATTENDED

9 MEDIA APPEARANCES

5 NETWORKING ROUNTABLES HOSTED

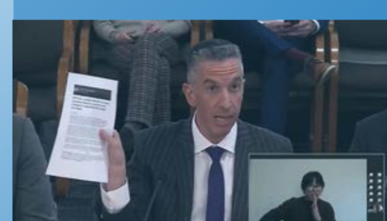
ADVOCACY EFFORTS

76 WORKING GROUP MEETINGS

3 LEGISLATIVE FLY OUTS

15 LEGISLATIVE TESTIMONIES

63 AFC ADVOCACY LETTERS



Value Structure

ADVOCACY

We advocate for sound public policy that encourages responsible innovation and regulatory clarity, to ensure our members can offer fair, competitive, and inclusive financial products.

THOUGHT LEADERSHIP

We empower policymakers, regulators, and all relevant stakeholders with the knowledge and resources to drive responsible policy.

NETWORKING

Our extensive, diverse network allows us to foster meaningful collaborations between our members and across the broader fintech and innovative banking ecosystem.

2026 Advocacy

WORKING GROUPS

The first half of 2026 was a period of sustained, high-volume advocacy from AFC as it pursued its 2026 federal priorities across Congress, the federal banking agencies, and statehouses nationwide while defending its members in ongoing litigation. AFC submitted dozens of comment letters and testified on the ground in more than a dozen states. AFC's direct advocacy was also bolstered by new white papers examining topics like fragmented state lending laws and harmful and profit-driven database mandates. Further, AFC increased its legal activity by leading in 7 amicus briefs to combat novel interpretations of the Truth In Lending Act and misguided attempts to apply it to EWA products. AFC continued its Colorado DIDMCA fight through the Tenth Circuit Court of Appeals and supported legal efforts on the same subject in the 9th circuit while backing DIDMCA and true lender legislation in Congress. AFC deepened engagement on embedded finance and bank-fintech partnerships, supporting community banking reforms, third-party risk management modernization, and Trump Administration initiatives on innovation offices and Trump Accounts. In addition, AFC engaged in robust regulatory discussions regarding stablecoins under the GENIUS Act, artificial intelligence governance, data privacy modernization, credit reporting fairness, student lending, and payments infrastructure, including Federal Reserve efforts on FedNow interoperability. Through these efforts, AFC reinforced its position as the leading voice for responsible, transparent, and consumer-centered innovation in fintech and banking.

PAYMENTS

AFC's Payments Working Group became the association's fastest growing policy issue area focusing on a myriad of payments issues.

In the states, combating misguided remittance tax legislation was a top priority for AFC across the country. Through this work, AFC engaged in over a dozen states, defeating all but one remittance tax bill. In addition, AFC supported legislation to modernize payments regulation through the passage of the Money Transmitters Modernization Act in Louisiana and Michigan and. AFC's Chief Policy Officer participated in California Governor Gavin Newsom's Countering Tech-Enabled Fraud Taskforce, where he advocated for pragmatic, actionable steps that industry and government can take to combat fraud and scams.

On the federal side, through AFC's numerous comment letters, it advocated for the pragmatic modernization of Bank Secrecy Act/Anti-Money Laundering (BSA/AML) requirements by both FinCEN and the prudential regulators. Further, AFC encouraged the Federal Reserve to modernize the payments system by using its payment account prototype to reduce access frictions and advance payments innovation and allowing intermediary institutions into FedNow payment flows.

PAYMENTS CONTINUED

Finally, AFC supported the STOP Payments Fraud Act to continue efforts to combat fraud and scams. Overall, AFC's advocacy in this area reflected its continued focus on fraud prevention alongside payments modernization and its broader effort to ensure U.S. payments infrastructure remains competitive, efficient, and accessible for banks and fintech companies alike.

FINTECH LENDING

Fintech Lending saw a significant growth in advocacy during the first half of 2026, anchored by the ongoing litigation against Colorado's DIDMCA opt-out law and coordinating a similar lawsuit in Oregon. In January, the 10th Circuit formally rejected the appellate panel's 2–1 decision, granting an en banc rehearing of the case. This decision, rare within the 10th Circuit, marked a notable procedural victory for AFC and its members with oral arguments scheduled to begin in August. AFC also worked with partner trade associations to bring similar legal action in the 9th Circuit to combat Oregon's recently passed law. The trades coalition are seeking a preliminary injunction pending the result of the case and have secured important partners from the FDIC and OCC in the forms of amicus support.

On the federal legislative side, AFC worked with partners and advocated strongly for the introduction of the American Lending Fairness Act of 2026 (ALFA) in both the House and the Senate. Furthering its advocacy in this space, AFC also released a white paper in February addressing the "Regulatory Hurdles to Properly Functioning Secondary Markets in Consumer Credit," which detailed how inconsistent state true lender and licensing rules are creating structural risk for secondary markets and calling for a clear federal framework.

At the state level, AFC engaged across nearly a dozen legislatures to support responsible rate structures and defeat harmful opt-out and true lender threats, including significant advocacy in Oregon and Rhode Island. AFC scored a significant victory early in the year by defeating a True Lender bill in Virginia. We were also successful in defeating a DIDMCA opt-out bill in Rhode Island and continue to engage in strong education efforts as to the negative effects of continuing this effort. Further, across the country, AFC educated legislators about the importance of protecting consumers' access to safe, affordable credit, by supporting 36 percent interest rate legislation in Iowa, West Virginia, and Michigan. AFC also continued to engage heavily in California and Ohio on multi-year advocacy issues from both the legislatures and regulators in these states.

Collectively, these efforts, spanning federal courts, Congress, and more than a dozen state capitals, reflected AFC's continued role as the leading industry voice defending the bank-fintech partnership model that underpins responsible consumer lending, while also protecting the ability of banks and their fintech partners to serve historically underserved consumers with safe, transparent, and competitively priced credit products nationwide.

EARNED WAGE ACCESS (EWA)

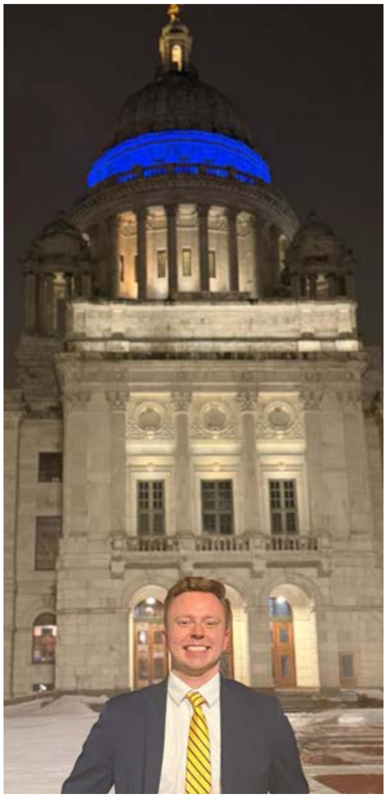
In the first half of 2026, AFC's Earned Wage Access (EWA) Working Group remained one of AFC's most active, building on the CFPB's December 2025 Advisory Opinion recognizing EWA as distinct from credit. AFC and its members worked tirelessly with the House Financial Services Committee to pursue the introduction and ultimately the bipartisan passage of the Earned Wage Access Consumer Protection Act. In addition, AFC continued its advocacy efforts at the CFPB by urging the Bureau to pursue a formal rulemaking for EWA that would provide the regulatory certainty needed for the entire industry.

AFC also engaged in 16 states during the first half of 2026 advocating, in support of positive EWA bills and in opposition to legislation that would limit responsible providers. AFC was on-the-ground in statehouses, conducting countless meetings with legislators and regulators, testifying in committees, and sending multiple letters in each state to further our advocacy. Notably, AFC fought hard for the passage of an EWA bill in Wisconsin that clarified the legislature's original intent in its previous passage of its EWA law and ensured that the regulator appropriately implemented its EWA regulatory framework. Further, to combat harmful, profit-driven database mandates that have become part of some EWA bills, AFC released a white paper explaining the significant issues with pursuing database provisions and detailing the cloak-and-dagger tactics used by database company Catalis to establish a database monopoly.

AFC's coordinated approach across Congress, the CFPB, state regulators, and the federal courts brings our members closer to a secure durable, national standard that serves responsible participants and more importantly their consumers.

INNOVATIVE BANKING & EMBEDDED FINANCE

AFC's Innovative Banks and Embedded Finance advocacy was especially robust in the first half of 2026, engaging Congress, the federal banking agencies, and the Trump Administration on multiple fronts simultaneously. AFC engaged heavily in the House Financial Services Committee's "Making Community Banking Great Again" agenda throughout the period, including backing key community banking provisions, such as the TRUST Act and Mentor-Protégé Act, within Housing for the 21st Century Act—which passed the Congress and was enacted into law—as well as several other provisions seeking to improve bank examination processes that passed out of Committee in a bipartisan manner. In addition, AFC provided multiple Statements for the Record to the House Financial Services Committee explaining AFC's policy positions and the importance of pursuing pragmatic legislation to encourage the bank-fintech partnership model.



INNOVATIVE BANKS AND EMBEDDED FINANCE CONT.

On the regulatory side, AFC worked closely with the Department of the Treasury, the prudential regulators and the CFPB to advocate for a myriad of policy issues including:

- Engaging in standards-setting activities for bank-fintech partnerships and improving existing third-party risk management guidance;
- Increasing competition in the core service provider market;
- Modernizing bank supervision, including reforms to the Confidential Supervisory Information framework and supervisory appeals process;
- Reforming anti-money laundering requirements, including the expansion of the Financial Crimes Enforcement Network's (FINCEN) 314(b) Program;
- Reiterating the importance of clear distinctions between chartered, insured banks and non-bank fintech companies.

AFC's advocacy centered on ensuring that community banks and their fintech partners retain a level playing field, modern examination and appeals processes, and a durable, statutorily grounded structure for regulatory engagement regardless of shifting political winds, reinforcing bank-fintech partnerships as a core driver of consumer access and choice.

ARTIFICIAL INTELLIGENCE, MACHINE LEARNING, AND REGTECH

AFC's AI-ML-RegTech advocacy in the first half of 2026 increased significantly from 2025, as the AI issue gained additional attention across the federal and state landscapes. At the state level, AFC submitted a letter to Connecticut's banking regulator, urging the adoption of a risk-based AI governance framework rather than prescriptive mandates that could hinder responsible innovation. Further, AFC supported Colorado's renewed effort to establish a pragmatic AI governance framework, building on its prior advocacy against the state's original AI Law.

Federally, the AI issue became a focus in both Congress and the White House. In response, AFC announced continued strong federal support for AI innovation and financial modernization legislation moving through the House Financial Services Committee. AFC also continued its advocacy for the usage of regtech tools within supervisory activities, focusing on the importance of using regtech tools as part of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT), as well as bank examination activities. Lastly, AFC joined in a coalition effort to ensure that the federal government adopted effective AI-driven cybersecurity frameworks and modernize existing security operations. Throughout this work, AFC advocated for consistent and pragmatic policymaking across AI governance and RegTech modernization nationwide.

DIGITAL ASSETS

AFC's Digital Assets Working Group remained active throughout the first half of 2026, building on its advocacy for clear, technology-neutral rules governing stablecoins and other digital assets. AFC's federal work focused on ensuring members' views were properly represented across the GENIUS Act implementing regulations by submitting 4 comment letters to the prudential regulators and FinCEN. These letters urged regulators to pursue practical compliance expectations tailored to blockchain-based payment systems. Further, AFC engaged with a coalition of trade associations to advocate for the passage of crypto market structure legislation that ensured digital asset providers would be able to offer consumers rewards for engaging in stablecoin activities. At the state level, AFC closely monitored state legislation that sought to establish clear regulatory frameworks aligned with the GENIUS Act. Specifically, AFC strongly advocated for the passage of Delaware's banking modernization and digital asset bills, which were later signed into law. Across these efforts, AFC consistently pushed for a level playing field between banks and fintechs operating in digital assets.

CREDIT REPORTING, DEBT SETTLEMENT, AND CONSUMER COMPLAINTS

AFC continued its work advancing credit inclusion and combating fraudulent credit repair practices throughout the first half of 2026. AFC supported the bipartisan Ending Scam Credit Repair Act, reinforcing AFC's longstanding opposition to fraudulent credit repair operations that harm consumers and undermine trust in the credit reporting ecosystem. In addition, AFC provided strong industry support for critical reforms to the Consumer Financial Protection Bureau's (CFPB) consumer complaints database to limit the number of fraudulent or frivolous complaints via direct engagement with CFPB on the issue, as well as support for the Eliminating Fraud in the CFPB's Complaint Database Act. Further, AFC advocated strongly for the FCRA Liability Harmonization Act, and Credit Access and Inclusion Act.

Throughout, AFC emphasized transparency, accuracy, and proportionate oversight as guiding principles for a modernized credit reporting and debt settlement framework that protects consumers while preserving responsible innovation, cautioning regulators against expanding credit reporting rules to entities and data uses beyond their original statutory purpose.

STUDENT LENDING

Student Lending advocacy in the first half of 2026 centered on helping members and policymakers navigate the significant federal student loan overhaul enacted through the 2025 budget reconciliation process, which sunset Graduate PLUS loans and revised Parent PLUS loan program. AFC continued monitoring implementation of these reforms and their expected effect of expanding the private student loan market, advocating for a sustainable, competitive lending environment that includes responsible private sector participation, fair credit access, and regulatory clarity for technology-forward student lenders and servicers. Specifically, AFC continued pressing the U.S. Department of Education for formal guidance clarifying that the Stop Student Debt Relief Scams Act does not prohibit borrowers from using authorized financial tools and services, building on its prior outreach to Education Secretary Linda McMahon. At the state level, AFC continued tracking proposed student lending legislation, including various student loan "bill of rights" proposals, while working to ensure that private student lenders retain clear compliance pathways as the market grows.

DATA PRIVACY

Data Privacy advocacy in the first half of 2026 focused heavily on modernizing the Gramm-Leach-Bliley Act (GLBA) at the federal level. Specifically, AFC submitted a letter to the House Financial Services Committee expressing strong support for a discussion draft to improve Title V of GLBA and worked closely with the Committee on key amendments—many of which were taken by the Committee. Building on these efforts, AFC announced support for the GUARD Financial Data Act, becoming one of the leading industry supporters of the bill. AFC also robustly engaged at the state level, including through its comment letter on California's Department of Financial Protection and Innovation rulemaking regarding registration and reporting for participants in the consumer data ecosystem, continuing the Council's multi-year push for GLBA-aligned exemptions that avoid duplicative state-level data privacy obligations for regulated banks and fintech companies serving consumers with data-driven financial products.

STATE FLY-OUTS

During the 2026 states legislative sessions, AFC was proud to offer 3 fly-out opportunities for members to meet directly with policymakers in:

During these visits to the capitols in Columbus, Albany, and Lansing, legislators heard directly from AFC members about legislation being actively considered by their committees and legislatures. These bills addressed a number of issues salient to AFC members including the necessity of bespoke regulation governing earned wage access, true lender policy that empowers bank-fintech partnerships, the role of 36% interest rate caps in responsible lending environments, and the importance of enacting the Money Transmitters Modernization Act to create regulatory uniformity.

ALL MEMBER CALLS

In 2026, AFC expanded its monthly All Member Calls to feature timely policy updates from a guest legislative speaker, followed by presentations developed in collaboration with AFC's Legal Advisory Committee members on THE most impactful industry topics. The enhanced format provides members with actionable insights and opportunities to engage directly with leading experts.

JANUARY

Rep. Dusty Johnson (R-SD)

HOT TOPIC: 10% interest rate cap on credit cards

PRESENTED WITH Ballard Spahr

FEBRUARY

Rep. Emerson Levy (D-OR)

HOT TOPIC: State licensing strategies and best practices for building effective compliance roadmaps

PRESENTED WITH BLANKROME

MARCH

Rep. Mike Flood (R-NE)

HOT TOPIC: The evolving landscape of bank and fintech chartering and the latest policy and market developments

PRESENTED WITH Ballard Spahr

APRIL

Rep. Sean Casten (D-IL)

PRESENTED WITH PAUL HASTINGS

HOT TOPIC: The potential implications of proposed bank customer citizenship verification requirements

MAY

Governor Michelle "Miki" Bowman

PRESENTED WITH JENNER&BLOCK

HOT TOPIC: Federal preemption, OCC developments, and the evolving landscape for bank-fintech partnerships

JUNE

Rep. Young Kim (R-CA)

PRESENTED WITH MORRISON FOERSTER

HOT TOPIC: California's approach to financial innovation is shaping national policy trends

2026 Thought Leadership

WEBINARS

In 2026, AFC revamped its webinar programming with the launch of Fintech Forward, a webinar series presented in partnership with AFC's Legal Advisory Committee and featuring experts from AFC member companies and strategic partners. Through seven webinars and counting, the series has provided members with timely insights into regulatory developments, emerging trends, and issues shaping the future of financial innovation.

EVENTS

FEBRUARY 4–6

Phil Goldfeder, AFC Chief Executive Officer was in Salt Lake City on the main stage at Fintech Xchange alongside Renaud Laplanche, CEO of Upgrade, Inc., talking about his 20 years of responsible innovation and colossal fintech success!

MARCH 16–17

Phil joined AFC member, QuickFi CEO Bill Verhelle on stage at the ELFA Innovation Lab & Exhibition in Nashville to discuss the convergence of fintech and equipment finance. Their conversation explored the impact of agentic AI, evolving capital sources, and the innovations shaping the future of equipment finance.

MARCH 30–APRIL 1

Phil hit the Banking Track stage in Las Vegas alongside Sibongile Ngako of Brex , Esty Scheiner, CISSP, OSCP of Shiboleth.ai (YC W24), Leighanne Costello of Hatch Bank, and Kalyani Ramadurgam of Kobalt Labs for a sharp conversation about whether the industry is truly modernizing compliance or just putting old processes in new wrappers and more importantly discussed the use of AI in shaping the future.

APRIL 17

AFC Chief Policy Officer Ian P. Moloney attended the Delaware FinTech Innovation Forum hosted by the Federal Reserve Bank of Philadelphia and the University of Delaware, where he moderated a regulatory perspectives panel featuring William G. Spaniel, EVP at the Philadelphia Fed, and Lisa Collison, Delaware State Bank Commissioner. The forum convened industry and regulatory leaders for a full day of discussion on fintech innovation, payments, and the evolving regulatory landscape for banks and small businesses.

EVENTS CONTINUED

WHARTON FINTECH

APRIL 17

Ian spoke at the Wharton Fintech 2026 Conference in New York City as part of the panel, *The Future of FinTech Regulation*, alongside former President of the Federal Reserve Bank of Philadelphia Patrick Harker, Ryan Louvar of WisdomTree, and Richard Weber, Partner at Haynes and Boone, LLP. Together, the panelists explored how evolving regulatory frameworks are shaping the next generation of financial infrastructure, discussing key developments in instant payments, AI-driven financial systems, and the broader policy landscape influencing the future of financial innovation.

Smarter Faster Payments 2026

APRIL 26–29

Ian moderated a panel alongside Barry Goldbrenner of Cross River, Alex Treece, CEO of Stablecore, and Keith Vander Leest of BVNK. The conversation covered the future of payments, stablecoins, and what it actually takes to move money faster and smarter in 2026.

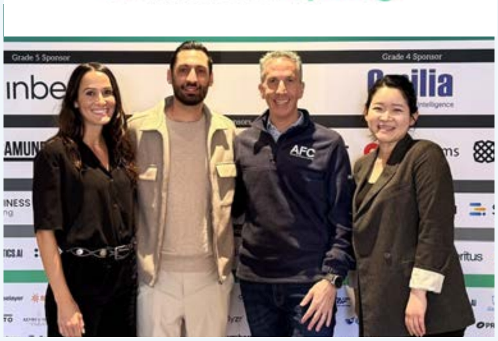
SAFEGUARD
AI DEEPDIVE RETREAT

MAY 3–6

Phil joined Ryan Hunter of Bilt and Rachel Sapers of AngelList on the main stage to dig into how AI is reshaping fraud, risk, and the regulatory landscape and how we maintain trust with our partners and consumers!

In a separate main stage session, he was also interviewed by Julie Muhn of Finovate on third party risk and knowing when partnerships are simply not meant to be.

FinovateSpring

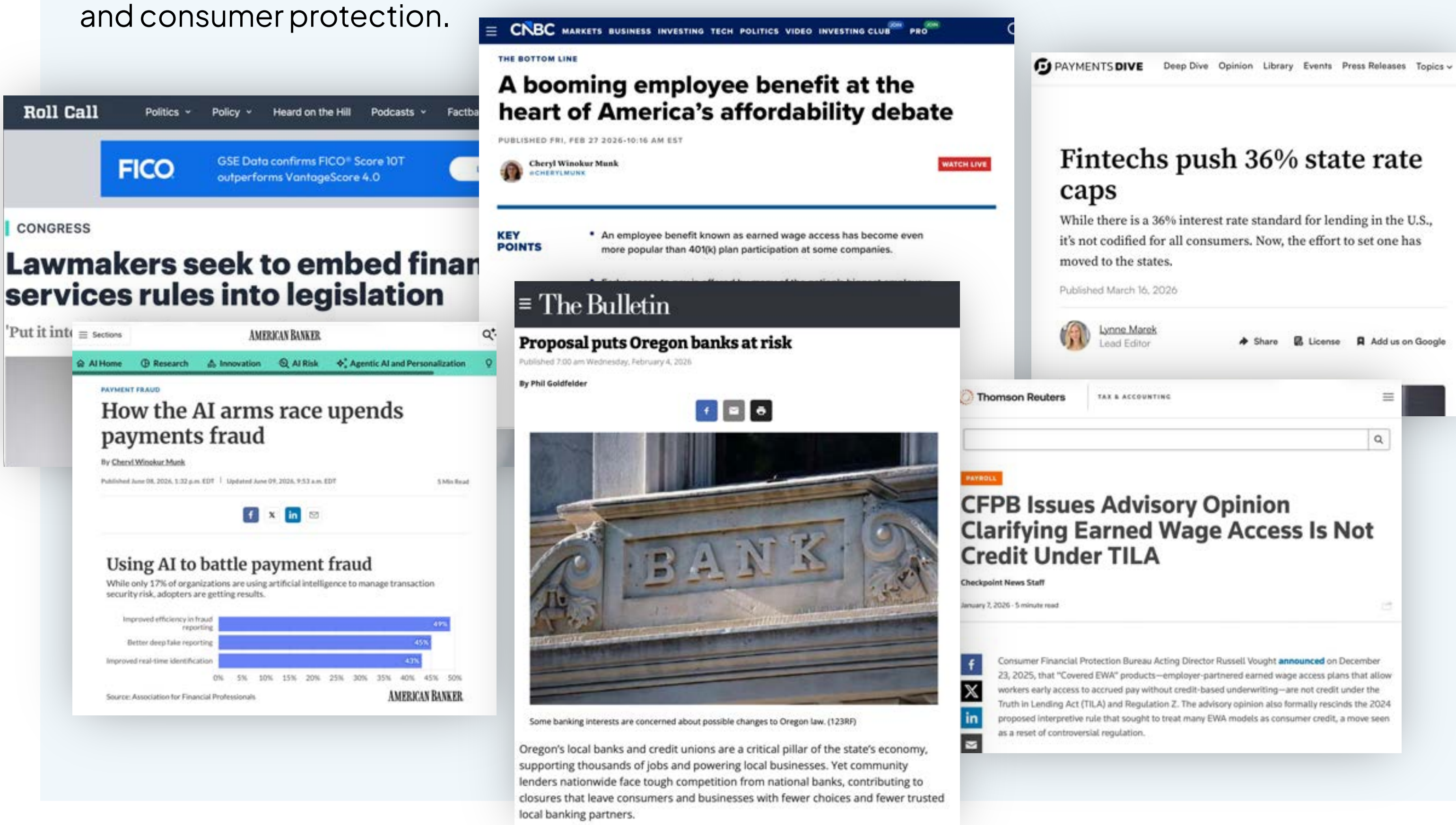


MAY 5–7

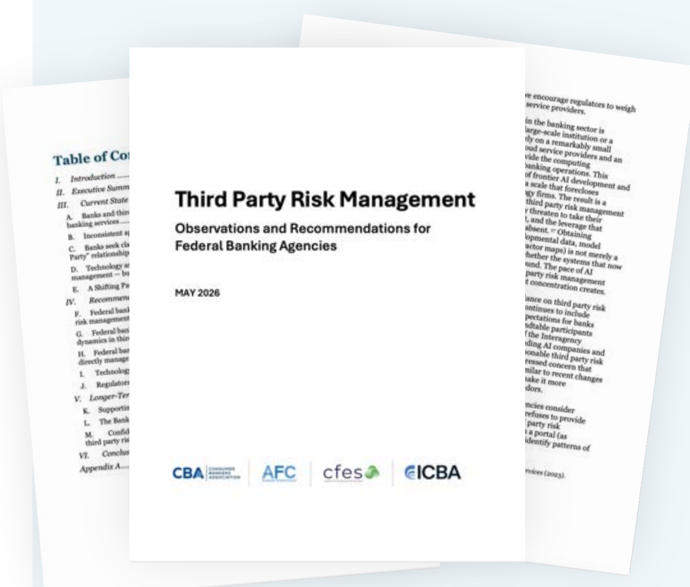
Phil spoke at Finovate Spring in San Diego, moderating the power panel, *From Competition to Collaboration & Co-Creation: How Banks Can Build Strategic Partnerships that Drive Real Outcomes*. Joined by Isabella Barbieri of Plaid, Kristie H. of Canapi Ventures, and Kourosh Adlparvar of Silicon Valley Bank, the panel explored how banks and fintechs can leverage strategic partnerships to drive innovation, improve efficiency, deliver greater value to customers, and build successful long-term collaborations.

AFC IN THE NEWS

AFC continued to drive meaningful conversations across the financial services landscape, contributing expert commentary in more than 53 articles. By sharing informed perspectives on key policy and market developments, its insights helped inform policymakers, influence industry dialogue, and promote a balanced approach to innovation and consumer protection.

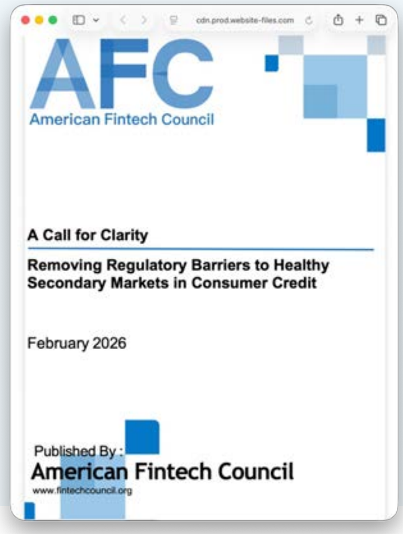


RESEARCH



Throughout the first half of 2026, AFC continued to shape the national conversation on responsible financial innovation through timely research and policy analysis. In partnership with the Consumer Bankers Association (CBA), the Center for Financial Ecosystem Standards (CFES), and the Independent Community Bankers of America (ICBA), AFC published *Third Party Risk Management Observations and Recommendations for Federal Banking Agencies*, advancing recommendations to modernize third-party risk management for today's technology-driven banking ecosystem.

AFC also issued *A Call for Clarity: Removing Regulatory Barriers to Healthy Secondary Markets in Consumer Credit*, developed in collaboration with Robert Savoie of Womble Bond Dickinson, which called for greater regulatory clarity to preserve healthy secondary markets for consumer credit. Additionally, AFC released *Company Profit Over Consumer Protection*, examining how fragmented state lending laws can undermine consumer protection and access to affordable credit. Building on this momentum, AFC will continue producing research and thought leadership throughout the remainder of the year, delivering practical, standards-based policy solutions to help shape the future of responsible financial innovation.



AFC
American Fintech Council

A Call for Clarity

Removing Regulatory Barriers to Healthy Secondary Markets in Consumer Credit

February 2026

Published By :
American Fintech Council
www.fintechcouncil.org

FOCUS GROUP

AFC convened a focus group of industry leaders across fintech, banking, and compliance to examine the emerging compliance, consumer protection, and reputational risks tied to AI-driven financial product discovery. The discussion focused on the growing use of large language models and AI assistants in consumer research, and the challenges posed by inaccurate, outdated, or hallucinated outputs that institutions cannot fully control or monitor. Participants highlighted key questions around accountability and potential regulatory and Unfair or Deceptive Acts or Practices implications, as well as practical mitigation strategies such as "mystery shopper" testing of AI outputs, internal prompt libraries, and improved monitoring and remediation workflows. The conversation underscored the need for continued cross-industry collaboration as firms adapt compliance frameworks to the rise of AI-enabled financial decision-making.

AFC American Fintech Council

American Fintech Council (AFC) is the largest and most diverse trade association representing financial technology (fintech) companies and innovative banks. On behalf of over 150 member companies and partners, AFC promotes a transparent, inclusive, and customer-centric financial system by supporting responsible innovation in financial services and encouraging sound public policy. AFC members foster competition in consumer finance and pioneer products to better serve underserved consumer segments and geographies.

AN AFC LED FOCUS GROUP
Marketing Compliance and Consumer Protection in the Age of AI-Driven Financial Product Discovery

The American Fintech Council (AFC) convened diverse leaders from across the financial services ecosystem to discuss the growing compliance and consumer protection challenges associated with AI-driven financial product discovery. Participants included representatives from fintech companies, banks, compliance leaders, and advisory partners including NerdWallet, Best Egg, Customers Bank, GreenSky, Oliver Wyman, and PerformLine. The discussion focused on how consumers are increasingly using AI assistants and large language models (LLMs) to research financial products, and the resulting risks when inaccurate, outdated, or misleading information is presented to consumers.

Problem Statement

Consumers are increasingly relying on AI applications such as ChatGPT, Claude, and Gemini to research financial products, creating new compliance and consumer protection challenges for financial institutions.

Participants discussed two primary concerns:

1. The risk of inaccurate or misleading AI-generated financial information, including incorrect product details, hallucinated content, and fraudulent or phishing-linked recommendations
2. The growing uncertainty around advertising, monetization, and disclosure obligations as AI platforms begin integrating sponsored or paid product placements into consumer experiences

These evolving risks highlight gaps in traditional compliance frameworks and raise important questions around accountability, monitoring, consumer harm prevention, and regulatory oversight.

Discussion

The focus group explored practical approaches to monitoring and mitigating AI-related compliance risks. A central theme was the concept of "mystery shopper" or "secret shopper" monitoring programs, where organizations proactively query AI systems using dynamic personas and prompts to evaluate outputs for accuracy, compliance concerns, and potential consumer harm.

Additional discussion topics included:

- Building internal libraries of prompts and keywords tied to marketing materials
- Developing scalable monitoring and remediation workflows
- Identifying early warning signals for inaccurate AI-generated content
- Coordinating across fintechs, banks, compliance teams, and technology partners
- Exploring industry-wide best practices for AI oversight and accountability
- Evaluating how existing regulatory frameworks may apply to AI-generated financial recommendations and disclosures

Participants also discussed the reputational and regulatory implications of AI systems citing company content while generating inaccurate conclusions or recommendations.

Why Is This Impactful?

The discussion highlighted a rapidly emerging issue impacting the entire financial services ecosystem.

As consumers increasingly rely on AI tools for financial guidance and product discovery, organizations must adapt compliance frameworks to address risks that extend beyond traditional marketing and advertising channels.

This focus group created an opportunity for cross-industry collaboration on an issue that currently lacks clear regulatory standards or established best practices. By bringing together fintech companies, banks, compliance professionals, and advisory partners, AFC helped facilitate a proactive conversation around responsible innovation, consumer protection, and practical risk mitigation strategies.

The session reinforced the importance of ongoing collaboration and thought leadership as the industry navigates the evolving intersection of AI, marketing compliance, and consumer trust.

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2026 Networking

In 2026, AFC has already hosted five of its Networking Roundtables in New York, San Francisco, Chicago, and Washington, D.C., and looks forward to having the groups gather again ahead of this year's Policy Summit. These role-based gatherings bring together company leadership for in-person discussions throughout the year, fostering collaboration and peer exchange across the membership. As AFC's membership continues to expand, the Roundtables have grown in scale and impact, further strengthening engagement and deepening connections across the ecosystem.

CEOs & EMBEDDED FINANCE

AFC hosted its 2026 CEO Network Roundtable in Chicago, bringing together more than 65 member companies, partners, and industry CEOs for a full day of in-depth discussions on the most pressing issues shaping financial services. Hosted in collaboration with Winston Taylor and Avant, the program featured concurrent CEO and embedded finance tracks.

Joined by senior leaders at Anthropic, The CEO track included a forward-looking discussion entitled *AI at the Frontier: Strategic Applications for Financial Services*, examining how financial institutions and fintechs are deploying AI at scale to drive efficiency, personalization, and improved decision-making, while also addressing emerging questions around risk, governance, and supervision. Breakout sessions further explored third-party risk management, bank-fintech partnerships, and venture capital and IPO trends, followed by a deep dive on digital assets and the future of payments, focused on how next-generation payment rails and digital asset infrastructure are moving from innovation to real-world adoption and what it will take to achieve scalable, trusted solutions across the ecosystem.

[I] Was honored to lead American Fintech Council's CEO roundtable alongside Anthony Sharett from Pathward for a great discussion on bank-fintech partnerships, the regulatory environment and how the industry is viewing AI adoption. Thank you to the AFC, Winston Taylor and Avant for hosting us. Phil Goldfeder and his team always create meaningful events that bring the industry together and drive the ecosystem forward.

Gilles Gade
CEO, Cross River

CEOs & EMBEDDED FINANCE CONTINUED

Meanwhile, the embedded finance track explored the evolution of financial infrastructure, with leaders examining how core modernization, real-time payments, sponsor banking, and emerging digital asset rails are reshaping the technology stack. The discussion also highlighted how AI is moving beyond a productivity tool to become a foundational layer of financial services, driving new capabilities in operations, risk management, and decision-making

Thank you again for the invite to the CEO event in Chicago – as usual your team put on a fantastic event! Really enjoyed the conversation and meeting the fellow members.

Alastair Wood, CEO, Raisin

RISK & COMPLIANCE LEADERS

AFC hosted two Risk & Compliance Leaders Roundtables this year, bringing together leading voices from across fintech, banking, and regulatory agencies to foster meaningful dialogue on the most pressing issues in risk and compliance.

In February, the group convened in San Francisco in collaboration with Davis Wright Tremaine, FTI Consulting, and the California DFPI. Discussions focused on bank-fintech partnerships, third-party risk management, regulatory expectations, and the broader implications of emerging technologies on compliance frameworks.

In June, the group reconvened in Washington, DC with support from Orrick, Herrington & Sutcliffe LLP and Baker Tilly, bringing together industry leaders and regulators for a robust program featuring panel discussions and working sessions. Topics included the future of bank-fintech collaboration, evolving risk oversight expectations, and emerging issues such as agentic AI, alongside direct engagement with federal regulators on practical approaches to supervision and innovation.

Thank you so much for including me (and Oscilar) at yesterday's event. It was easily the most impactful and engaging event I've attended – and I've been to quite a few!

Emma Hewlin, Enterprise Account Executive, Oscilar

I find the Roundtables to be the best expression of AFC's core values in action. Nowhere else is such a strong group of banks, fintechs, and others together in small groups to work on the most pressing challenges.

Derek Henderson,
Chief Compliance Officer, DR Bank

GENERAL COUNSEL

In April, AFC brought together over 30 General Counsels in New York City for a candid and collaborative roundtable dinner hosted by Jenner & Block. The gathering provided a valuable opportunity for legal leaders across the membership to exchange perspectives on emerging industry issues, strengthen professional relationships, and engage in meaningful peer-to-peer discussions. The roundtable underscored the value of bringing together senior legal executives to build connections, share experiences, and discuss the challenges and opportunities shaping the future of financial services.

I find real value in attending AFC's General Counsel Roundtables. The camaraderie and open conversation at these events give me the opportunity to share knowledge, and more importantly, get perspectives from peer and non-peer institutions alike. I also appreciate that AFC sources speaking engagements from relevant political leaders for these events and works hard to provide engagement opportunities with these leaders.

Jordan Cheng, General Counsel, Happen Bank

COMMS & MARKETING

This year, AFC expanded its networking offerings with the launch of its first Communications & Marketing Network Roundtable, bringing together communications and marketing professionals from across the fintech ecosystem for meaningful discussion and connection. Hosted in New York City in collaboration with CLYDE, AFC member Current, and TechNYC, the inaugural Marketing & Communications Cocktails & Conversations focused on effectively communicating innovation, navigating an evolving regulatory landscape, and building trust with customers and stakeholders. As fintech continues to evolve, these conversations provide communications and marketing leaders with a valuable opportunity to share strategies, learn from peers, and strengthen the industry's collective ability to tell the story of responsible innovation.

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NOVEMBER 17, 2026

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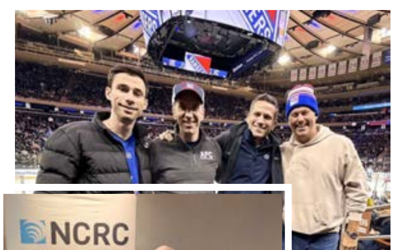


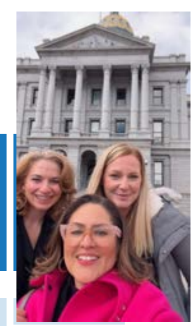

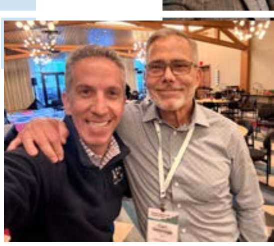

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