



March 26, 2026

The Honorable French Hill
Chairman
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
Committee on Financial Services
United States House of Representatives
Washington, DC 20515

Re: Support for the Discussion Draft of the Financial Services Innovation Act of 2026

Dear Chairman Hill and Ranking Member Waters:

On behalf of the American Fintech Council (AFC),¹ I write to express our strong support for the introduction of the discussion draft of the Financial Services Innovation Act of 2026 (the Act).² AFC appreciates the introduction of this important draft and its focus on providing innovative financial institutions and their financial technology (fintech) partners with the clear regulatory pathways needed to bring beneficial products and services to market. The discussion draft represents a meaningful step toward modernizing the federal regulatory system by removing unnecessary barriers to responsible innovation while preserving the robust consumer protections and regulatory safeguards that underpin trust in the U.S. financial system.

A standards-based organization, AFC is the largest and most diverse trade association representing 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.

¹ AFC's membership spans technology platforms, non-bank lenders, banks, payments providers, loan servicers, credit bureaus, and personal financial management companies.

² U.S. Congress, House, Committee on Financial Services, Discussion Draft to promote innovation in financial services, and for other purposes, 119th Cong., 2nd Sess., 2026, available at <https://docs.house.gov/meetings/BA/BA21/20260326/119110/BILLS-119pjh-fosterinnovationinfinancialservices.pdf>.

AFC has consistently advocated for “rules of the road” that provide industry participants with clear, consistent, and predictable regulatory expectations. The financial services ecosystem depends on that predictability, yet the approach of federal financial regulators toward technological innovation can shift dramatically between administrations, creating an environment that is costly to navigate and incompatible with long-term planning. Existing federal regulatory frameworks were, in many cases, promulgated before the emergence of technology-enabled financial products and services as we know them today, compounding the uncertainty that innovators face when seeking to bring new products to market.

This call upon the regulators to pursue pragmatic organizational efforts focused on encouraging responsible innovation is based in empirical data both from the industry and government. AFC has documented these challenges firsthand. In correspondence with prior leadership at the FDIC, AFC raised serious concerns about the agency’s systematic deprioritization of innovation efforts, including the dismantling of its FDITech Office, and the resulting uncertainty for banks partnering with fintech companies.³ At that time, AFC urged the FDIC to reconstitute FDITech or establish a comparable innovation function capable of engaging constructively with emerging financial technologies.⁴ Further, independent analysis by the Government Accountability Office has similarly found that financial regulators have increasingly relied on innovation offices and specialized fintech units to engage with emerging technologies, but that these efforts lack consistent structure and performance measurement across agencies.⁵ Together, these findings underscore why durable statutory structures for innovation offices are necessary: when innovation infrastructure is discretionary, it becomes vulnerable to shifting agency priorities.

The Act directly responds to this challenge by establishing Financial Services Innovation Offices (FSIOs) within each of the key federal financial regulatory agencies, including the Federal Reserve, CFPB, FDIC, OCC, SEC, NCUA, FHFA, HUD, and the Department of the Treasury. By codifying innovation as a core mandate for financial regulators and creating dedicated offices with defined statutory responsibilities, the Act institutionalizes a pro-innovation posture across the regulatory apparatus. This structural permanence benefits not only market participants and American consumers, but regulators themselves. Statutory FSIOs allow agency staff to develop deep, consistent expertise in emerging technologies over time, making supervision more effective and efficient, rather than repeatedly rebuilding institutional knowledge after each political transition. AFC believes this structural change is both necessary and overdue.

AFC has previously expressed support for closely related legislation advancing this same philosophy. In August 2025, AFC submitted a letter in support of the Unleashing AI Innovation in Financial Services Act.⁶ This bipartisan, bicameral legislation that would establish supervised AI Innovation Labs across federal financial regulatory agencies. AFC supported that bill because it embodied the same core principle of active and informed participants in the innovation

³ American Fintech Council “Advocacy Letter to FDIC on Regulating Innovation” (Apr. 19, 2024) Available at <https://fintechcouncil.org/advocacy/federal-advocacy-letter-to-fdic-on-regulating-innovation>.

⁴ American Fintech Council “Advocacy Letter on Interagency Bank-Fintech Arrangements RFI” (Oct. 30, 2024) Available at <https://fintechcouncil.org/advocacy/federal-advocacy-letter-on-interagency-bank-fintech-arrangements-rfi>.

⁵ GAO-18-254. See also, U.S. Government Accountability Office, Financial Technology: Agencies Can Better Support Workforce Expertise and Measure the Performance of Innovation Offices, GAO-23-106168, (Sep. 6, 2023) available at <https://www.gao.gov/assets/gao-23-106168.pdf>, Page 27.

⁶ American Fintech Council “Letter in Support for the Unleashing AI Innovation in Financial Services Act” (Aug. 13, 2025) Available at <https://fintechcouncil.org/advocacy/federal-afc-letter-in-support-for-the-unleashing-ai-innovation-in-financial-services-act>.

process. The Financial Services Innovation Act of 2026 builds on that foundation and extends it across the full spectrum of technology-enabled financial products and services. Together, these bills represent the building blocks of a coherent, modern federal framework for financial innovation.

Ultimately, the Act is consistent with the Trump Administration's stated commitment to fostering American innovation and global competitiveness in financial technology. As Congress considers how best to ensure that the U.S. financial services industry remains the envy of the world, establishing structured regulatory pathways for financial innovators is an essential component of that effort. AFC strongly believes that the Act will help innovative banks and fintech companies thrive and serve consumers more effectively, while preserving the robust consumer protections and regulatory safeguards that underpin trust in the U.S. financial system.

Simply put, markets function best with settled expectations. The provisions put forward in the Act will provide the settled expectations regarding the federal financial regulators' continued dedication to encouraging responsible innovation. AFC strongly supports this discussion draft of the Financial Services Innovation Act of 2026 and urges the Committee to consider the Act as part of its legislative agenda. Thank you for your continued leadership in supporting innovation in financial services at the federal level. We look forward to working with Congress to support its passage.

Sincerely,

A handwritten signature in black ink, appearing to read "Ian P. Moloney", with a long, sweeping horizontal stroke extending to the right.

Ian P. Moloney
Chief Policy Officer
American Fintech Council