



July 8, 2026

The Honorable Tim Scott
Chairman
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

The Honorable Elizabeth Warren
Ranking Member
Committee on Banking, Housing, and Urban Affairs
United States Senate
Washington, DC 20510

Re: Letter in Support of Bank-Fintech Partnership Enhancement Act

Dear Chairman Scott and Ranking Member Warren,

On behalf of the American Fintech Council (AFC) and its members,¹ I am writing to express our strong support for the Bank-Fintech Partnership Enhancement Act, introduced by Senators Ricketts and Cortez Masto. AFC previously voiced its support for the House companion, H.R. 6552, and we are pleased to see this bipartisan effort advance in the Senate as well.

AFC's mission is to promote an innovative, transparent, inclusive, and customer-centric financial system by fostering responsible innovation in financial services and encouraging sound public policy. AFC members are at the forefront of fostering competition in consumer finance and pioneering ways to better serve underserved consumer segments and geographies. Our members are also improving access to financial services and increasing overall competition in the financial services industry by supporting the responsible growth of lending and lowering the cost of financial transactions, allowing them to help meet demand for high-quality, affordable financial products.

AFC has consistently advocated for policymakers and regulators to: (1) engage in regulatory modernization that encourages competition and innovation; (2) develop a unified and consistent approach to oversight of bank-fintech partnerships; (3) increase clarity of supervisory expectations for regulated entities engaging in novel or innovative business models; and (4)

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

avoid a patchwork or inconsistent supervisory landscape that can harm consumers and encourage regulatory arbitrage.²

Fintech companies arose out of the combination of a dearth of consumer trust in traditional financial institutions in the wake of the 2008 financial crisis and increasing demand for modern, digital-first banking services.³ Through partnerships with innovative financial institutions, fintech companies have been able to increase access to historically underserved communities, expand offerings, and create a robust and competitive market that has the ability to mitigate certain types of contagion risks in the financial services industry. As noted in multiple reports by the U.S. Government Accountability Office (GAO), responsible fintech providers provide the opportunity for significant consumer and market benefits.⁴ Consistent with AFC's March 31, 2025, letter to the Committee on the "Make Community Banking Great Again" principles, we believe Congress has a timely opportunity to build a pragmatic legislative agenda that strengthens community banks, supports responsible bank-fintech partnerships, and modernizes supervisory frameworks to reflect today's digital-first financial system.⁵

To that end, the Act would direct the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency to conduct a study on the impact of partnerships between fintech companies and banking organizations, including the extent to which such partnerships support community bank health, and the impact of these partnerships on the banking sector, competition, innovation, consumer protection, and the availability of financial products and services. The Act further directs the agencies to determine what changes to federal banking laws, or to agency rules or guidance, may help promote effective bank-fintech partnerships. The National Credit Union Administration is also required to conduct a similar report for partnerships between fintech companies and credit unions. This report to Congress would be required within one year of enactment of the Act.

This legislative effort is also well aligned with the Administration's recent executive action on this issue. President Trump's May 19, 2026, Executive Order 14405, "Integrating Financial Technology Innovation into Regulatory Frameworks," directs federal financial regulators to review existing regulations, guidance, and supervisory practices that may impede fintech firms from partnering with federally regulated institutions or from obtaining charters, insurance, and other authorizations, and to take steps to encourage innovation consistent with that review.⁶ The Bank-Fintech Partnership Enhancement Act would complement this directive by codifying a parallel, interagency fact-finding process, ensuring that any resulting reforms are grounded in a

² American Fintech Council, "Federal: Advocacy Letter on Interagency Bank-Fintech Arrangements RFI," October 30, 2024, available at <https://www.fintechcouncil.org/advocacy/federal-advocacy-letter-on-interagency-bank-fintech-arrangements-rfi>.

³ U.S. Department of the Treasury, A Financial System That Creates Economic Opportunities: Nonbank Financials, Fintech, and Innovation, (July 2018), available at https://home.treasury.gov/system/files/136/A-Financial-System-that-Creates-Economic-Opportunities--Nonbank-Financials-Fintech-and-Innovation_0.pdf.

⁴ U.S. Government Accountability Office, Financial Technology: Additional Steps by Regulators Could Better Protect Consumers and Aid Regulatory Oversight, GAO-18-254, (Mar. 22, 2018), available at <https://www.gao.gov/products/gao-18-254>; and U.S. Government Accountability Office, Financial Technology: Products Have Benefits and Risks to Underserved Consumers, and Regulatory Clarity Is Needed, GAO-23-105536, (Mar. 08, 2023), available at <https://www.gao.gov/products/gao-23-105536>.

⁵ American Fintech Council, "Request for Feedback on "Make Community Banking Great Again" Principles and Slate of Bills (Mar. 31, 2025), available at <https://www.fintechcouncil.org/advocacy/federal-afc-letter-to-house-financial-services-committee-on-principles-to-make-community-banking-great-again>.

⁶ Exec. Order No. 14,405, "Integrating Financial Technology Innovation into Regulatory Frameworks," 91 Fed. Reg. 30,477 (May 19, 2026) available at <https://www.whitehouse.gov/presidential-actions/2026/05/integrating-financial-technology-innovation-into-regulatory-frameworks/>.

rigorous, congressionally mandated study of how these partnerships affect community bank health, competition in the market, and the financial products and services available to consumers.

AFC believes requiring an interagency study can help move the policy conversation toward durable “rules of the road” that encourage responsible innovation while reinforcing the distinct roles and responsibilities of regulated depository institutions and their fintech partners. Passage of this legislation would build upon the significant work of both the Congress and the prudential banking regulators to improve the policy landscape for responsible bank-fintech partnerships.

The American Fintech Council applauds Senators Ricketts and Cortez Masto for their bipartisan leadership on this important issue, building on the work of Chairman Hill, Representatives Barr and Gottheimer, and the House Financial Services Committee. We strongly support this legislation and urge its swift passage. AFC stands ready to serve as a resource to the Committee and prudential regulators as this work proceeds.

Sincerely,

A handwritten signature in black ink that reads "Ian P. Moloney". The signature is written in a cursive style with a long, sweeping underline.

Ian P. Moloney
Chief Policy Officer
American Fintech Council

CC:

The Honorable Pete Ricketts, United States Senate
The Honorable Catherine Cortez Masto, United States Senate
The Honorable French Hill, United States House of Representatives
The Honorable Andy Barr, United States House of Representatives
The Honorable Josh Gottheimer, United States House of Representatives