November 12, 2026

The Honorable Bill Foster
2366 Rayburn House Office Building
U.S. House of Representatives
Washington, DC 20515

Re: Support for the Real-Time Regulatory Study Act of 2026 Discussion Draft

Dear Congressman Foster,

On behalf of the American Fintech Council (AFC),[1] I write to express our support for the goals of the Real-Time Regulatory Study Act of 2026 discussion draft (the "Act") and to offer AFC's perspective as the draft moves toward introduction.[2] This legislation represents an important step toward modernizing the nation's financial supervisory infrastructure and ensuring that regulatory oversight keeps pace with technology that now moves deposits, payments, and risk faster than periodic reporting was designed to capture.

AFC is a standards-based organization and the largest and most diverse trade association representing financial technology companies and innovative banks. On behalf of nearly 175 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. Our membership includes banks, payments companies, consumer and small business lenders, financial infrastructure providers, and compliance technology firms that rely on responsible partnerships to expand access to financial products and services, strengthen operational capabilities, and serve consumers and businesses across the country.

As AFC members continue to transform how consumers access and manage their finances, it is increasingly important that the systems overseeing these activities evolve alongside the industry. Advances in artificial intelligence and digital banking have created significant opportunities to improve the delivery of financial services. The use of supervisory technology tools has shown significant benefit to regulators both domestically and abroad.[3] AFC has often advocated for the modernization of prudential supervision through the development of supervisory technology tools.[4] In a rapidly evolving financial services market, it is essential that regulators have the tools

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[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, *Real-Time Regulatory Study Act of 2026*, Discussion Draft, 119th Cong., 2d sess., November 2, 2026, https://foster.house.gov/sites/evo-subsites/foster-evo.house.gov/files/evo-media-document/foster_111_xml.pdf.
[3] Bank for International Settlements, "Making SupTech Work: Evidence on Key Drivers of Adoption," BIS Working Paper No. 1309, accessed November 10, 2026, https://www.bis.org/publications/working-paper-1309-making-suptech-work-evidence-key-drivers-adoption
[4] American Fintech Council, "Letter of Support for Legislation Advancing AI Innovation, Fraud Prevention, and Supervisory Modernization in Financial Services" (May 13, 2026), https://www.fintechcouncil.org/advocacy/federal-afc-letter-of-support-for-legislation-advancing-ai-innovation-fraud-prevention-and-supervisorymodernization-in-financial-services; American Fintech Council, "Letter in Response to Request for Information on AI Risks and Modernization in Financial Services" (August 13, 2026), https://www.fintechcouncil.org/advocacy/federal-afc-letter-in-response-to-request-for-information-on-ai-risks-and-modernization-in-financial-services; American Fintech Council, "Statement for the Record Before the Subcommittee on Digital Assets, Financial Technology, and Artificial Intelligence of the House Committee on Financial

necessary to identify emerging risks, maintain financial stability, and support responsible innovation.

The intent of the Act closely reflects the policy goals of AFC regarding the advancement and usage of supervisory technology throughout the federal prudential system. The Act addresses this need by directing the Federal Reserve to develop and test open-source technologies that could streamline regulatory reporting, strengthen risk management, and improve the efficiency of financial supervision. AFC supports efforts to leverage supervisory technology to strengthen consumer protection and the safety and soundness of the U.S. financial system.[5]

In addition, the Act presents an opportunity to strengthen the financial system's ability to identify and respond to emerging risks, including financial fraud and illicit activity. AFC has supported efforts to combat fraud and protect consumers while preserving access to legitimate financial products and services.[6] The draft's anti-money-laundering and fraud module, which would demonstrate automated screening, logging of manual review decisions, and privacy-preserving information sharing consistent with applicable law, could advance these objectives and strengthen the financial system's ability to identify and respond to illicit activity. To ensure the market for combating illicit activity continues to evolve in a manner that provides the best products and services for combatting illicit activity, it is important to ensure that any software modules actually pursued by the Federal Reserve would complement, not compete with, the innovative products and services being offered by industry participants.

The draft's records and resolution modules are especially relevant to bank and fintech partnerships. Section 3 directs the Board to demonstrate a real-time ledger with data portability, along with a resolution data package that reconciles to the institution's records, including unsettled transactions. In 2024, the bankruptcy of a banking-as-a-service middleware provider left consumers without access to their funds for months because no party could quickly reconcile which end customer owned which balance in pooled custodial accounts. Open-source tools that demonstrate real-time reconciliation of end-customer ledgers to a bank's own books would give institutions, their fintech partners, and regulators a practical reference for preventing that kind of failure, and AFC encourages the Board to include custodial account arrangements among the scenarios against which the modules are tested.

AFC also supports the Act's directive for the Federal Reserve's final report to determine whether the use of specified providers "meeting standards prescribed by the Board could support a presumption of compliance or a safe harbor," including for anti-money-laundering screening.[7] A well-designed presumption of compliance could reduce duplicative testing and give institutions of every size greater confidence in adopting modern tools. AFC likewise welcomes the requirement that the Board estimate costs and savings for institutions of different sizes, including whether more frequent reporting would offset those savings, and assess the effects on competition and new entrants. AFC encourages the Board to include in that analysis banks that

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Services" (January 13, 2026), https://www.fintechcouncil.org/advocacy/afc-statement-for-the-record-on-behalf-of-the-american-fintech-council-before-the-subcommittee-on-digital-assets-financial-technology-and-artificial-intelligence-of-the-house-committee-on-financial-services-united-states-house-of-representatives.

[5] See American Fintech Council, "Letter in Response to Request for Information on AI Risks and Modernization in Financial Services," supra note 3.

[6] *Ibid.*, RFI on Payments Fraud.

[7] Ibid., the Act § 4(b)5.

offer products through fintech partnerships, whose reporting and reconciliation needs differ from those of traditional institutions.

Finally, AFC supports the safeguards built into the draft. Section 5(c) makes clear that no institution is required to adopt any module and that participation or non-participation carries no supervisory consequence, and Section 3(h) limits the demonstration software to a test environment using synthetic or appropriately protected historical data. These provisions allow the Federal Reserve and the other agencies to learn what real-time supervision can deliver without creating an implied expectation that institutions replace working systems or report more frequently before the costs and benefits are understood. AFC urges that these safeguards be retained in the bill as introduced.

For these reasons, AFC supports the goals of the Real-Time Regulatory Study Act of 2026, which provides a pragmatic approach to evaluating how emerging technologies can strengthen regulatory oversight of the financial services industry, while also improving regulatory efficiency and supporting responsible innovation. AFC appreciates your efforts on the Act and looks forward to working with your office further to support a transparent, competitive, and consumer-friendly financial system.

Sincerely,



Ian P. Moloney
Chief Policy Officer
American Fintech Council