



CBAI Participates in OCC Office of Innovation's Virtual Office Hours

On March 18, 2021, the Community Bankers Association of Illinois participated in the OCC Office of Innovation's Virtual Office Hours. Together on the call were the OCC's Beth Knickerbocker (chief innovation officer), Brian James (deputy comptroller central division), Ralph DeLeon (director of banking relations) and CBAI's David Schroeder (SVP federal governmental relations). This virtual meeting was an opportunity for the OCC to learn about CBAI's thoughts and concerns about innovation in financial services and specific OCC initiatives.

Schroeder was pleased to hear from many sources that over the last few years, fintechs have gone from being disruptors, who were going to take over the financial services industry, to being inclined to work cooperatively or in partnership with banks, after realizing the daunting responsibility of regulatory compliance.

The OCC highlighted the importance of banks communicating with their regulators as innovation opportunities arise to benefit from their experience and guidance. CBAI agrees with the belief that including innovation in strategic planning, and implementing reasonable innovations, is important to maintaining the long-term viability and success of community banks and to counter industry consolidation.

Schroeder stated CBAI's concerns for data security and privacy, as fintechs and others gain access to customer data. The CFPB is currently writing rules about access to consumer data and CBAI has urged the Bureau to ensure the users and aggregators of customer data are all subject to robust Gramm-Leach-Bliley Act-like data security requirements. The requirements on others must include accountability for any losses related to data misuse, breaches and fraud.

CBAI again expressed its concerns about the OCC chartering fintechs and their proposed Special Purpose National Bank charters. These charters must be subject to all the same regulations to prevent them gaining a competitive advantage over community banks.

CBAI thanks the OCC's Office of Innovation for hosting this event and listening to CBAI issues and concerns, and looks forward to working cooperatively on different initiatives for the benefit of community banks.