

**Statement of Ranking Member Frank Pallone, Jr.
House Committee on Energy and Commerce
Subcommittee on Digital Commerce and Consumer Protection
Hearing on “Disrupter Series: Improving Consumers’
Financial Options with FinTech”**

June 8, 2017

This hearing is an update to last Congress’ hearings on mobile payments and digital currencies. Technological advances are making financial transactions more convenient and efficient. With nine-in-ten Americans regularly connected to the internet and over 75 percent of us having smartphones, online access to banking has never been better.

New financial products may help people pay and receive goods faster, and consumers may have better and more secure access to their funds. These products also may help people have greater control over their financial lives by giving them more and better financial information.

These potential benefits are important, but these new financial products should have consumer protections attached to them, just like protections

attached to older more traditional financial products. . Consumer protections are essential, and I look forward to hearing how we can help ensure there are appropriate safeguards, while, at the same time, encouraging this new marketplace to thrive.

One area that is ripe for improvement in the financial sector is faster payments. In this day of technological advancements, some Americans still have to wait days for their checks to clear. Oftentimes, these consumers are then forced into turning to high-cost credit to access their own money.

In 2015, the Federal Reserve created a Task Force to review the issue of faster payments, and I am hoping today for an update on the work of that Task Force. People should be able to get real-time access to their money. I realize that some actors in this space, such as check cashing companies, payday lenders, or wire transfer services, may lose out on fees if real-time access is achieved. However, with all of the technological advancements that have been made, delays are really not acceptable anymore, and they have adverse effects on merchants and others waiting to be paid.

A number of federal agencies play a critical role in the success of financial technology, including both the Federal Trade Commission and the Consumer Financial Protection Bureau (CFPB). These two agencies conduct research and analysis of consumer financial interests, educate consumers, and take enforcement actions against the perpetrators of financial exploitation.

As some of the witnesses will discuss today, the CFPB is working to ensure consumer protections are in place for prepaid debit card users and advising companies wanting to enter the FinTech arena. This is important work. Yet, today on the House floor, the Republican Majority is trying to gut the CFPB with the CHOICE Act. Or, what many of us are calling the Wrong Choice Act.

The timing of this hearing is interesting. While some may think FinTech is just another “disruptive technology” that may or may not help people, members should be mindful of the bigger picture. Taking the teeth out of the CFPB is not the answer. The CFPB was created to protect consumers from

fraud in financial products and it has proven itself truly able to help people. We should be working together to ensure the CFPB continues its robust mission.

I hope all of the witnesses and those interested in today's financial technology hearing join me in supporting the CFPB. Thank you.