

MEMORANDUM

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: July 9, 2024

Re: July 12, 2024 - Financial Institutions and Monetary Policy Subcommittee Hearing Titled “Financial Institution-Fintech Partnerships: Leveraging Third-Party Relationships to Increase Access to Financial Services”

On Friday, July 12, 2024, at 10:00 a.m. at 401 Cross Street in Lexington, Kentucky, the Subcommittee on Financial Institutions and Monetary Policy will hold a hearing titled “Financial Institution-Fintech Partnerships: Leveraging Third-Party Relationships to Increase Access to Financial Services.” Testifying at the hearing will be:

- Steve Trager, Executive Chair, Republic Bank & Trust Company
- Kirk Chartier, Chief Strategy Officer, Enova
- Mike de Vere, CEO, Zest AI
- Karen Harbin, President and CEO, Commonwealth Credit Union
- Amy Roberti, Global Head of Public Policy, Stripe

Background

Banks and credit unions partner with third-party vendors, which increasingly employ updated technology (and are often called “fintechs”), to meet the evolving needs of consumers and businesses of all sizes and expand access to and reduce costs of financial services. Such partnerships help facilitate expanded opportunities in the form of access to financial services to households and businesses who may be less likely to access financial services through traditional bank products by increasing efficiencies and decreasing costs. The hearing explores opportunities presented by efficiency-enhancing third-party relationships in the provision of financial services by banks and credit unions, as well as safeguards necessary to ensure safety, soundness, and stability.