

BANK POLICY INSTITUTE

ANNUAL CONFERENCE

KEYNOTE REMARKS FEATURING
CFPB DIRECTOR KATHY KRANINGER

Washington, D.C.

November 19-21, 2019

ANDERSON COURT REPORTING
500 Montgomery Street, Suite 400
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190

PARTICIPANTS:

Welcome Remarks and Introduction:

ROB HUNTER
Deputy General Counsel and Executive Managing
Director
The Clearing House

Featured Speaker:

KATHY KRANINGER
Director
Consumer Financial Protection Bureau

In Conversation With:

NAEHA PRAKESH
Associate General Counsel and Senior Vice
President for Consumer Regulatory Affairs
Bank Policy Institute

* * * * *

P R O C E E D I N G S

MR. HUNTER: Good afternoon, everybody. I'm Rob Hunter, deputy general counsel of The Clearing House, and it is my great pleasure to introduce to you today the director of the Consumer Financial Protection Bureau, Kathy Kraninger.

Director Kraninger has been in her role at the CFPB as director for roughly a year. And as all of you have experienced and know, it's been a busy year at that.

We are fortunate to have someone with such a history of dedicated public service in this role. Director Kraninger started her public service career as a Peace Corp volunteer and has held key positions on Capitol Hill, including with the Appropriations, Homeland Security, and Governmental Affairs committees. She was active in standing up the Department of Homeland Security and most recently was policy associate director with the Office of Management and Budget.

The Clearing House and BPI have long enjoyed a very close relationship with the CFPB. We appreciate the care with which, Director Kraninger, you and your

staff approach the various issues on which we interact. We thank you for being here today and look forward to your remarks, which will be followed by a question-and-answer session moderated by Naeha Prakesh of the Bank Policy Institute.

Thank you and please join me in welcoming Director Kraninger to the podium. (Applause)

MS. KRANINGER: Thank you so much, Rob. Thank you for the introduction and invitation. I am honored to be here to speak with you today.

I was just joking with Greg, though, about how it's almost like church here. We've got the front tables are empty, so everyone's, you know, lurking around the back here. But, hopefully, you're having a fantastic meal and appreciate the chance to talk to you a little bit during that time.

You've had a great lineup, including some of my government colleagues, Jelena McWilliams and Justin Muzinich and Joseph Otting. Definitely people I spend a lot of time with. And I'd say while Treasury, the FDIC, and the OCC have been around for decades, the youngest of the three being 80 years old, the Bureau is the new

kid on the block with roughly 8 years under our belt.

Further, the Bureau went through its first transition of leadership within the last two years. And as we continue to mature as an agency, we are focused on using all of the tools Congress gave us to carry out our mission and of protecting consumers.

I also believe that in carrying out our mission our focus should be to prevent harm in the first place. This saves consumers the headaches of trying to get their money back after they've been harmed and avoids the very injuries that consumer finance laws seek to address.

Before I get into policy topics I want to take a moment to acknowledge the Bureau employees who have provided insights to you during this conference: Cara Petersen, Gary Stein, Albert Chang, and Steve Van Meter, who's still here.

I am also happy to note new staff in the Bureau's leadership ranks. We brought on a new associate director for supervision, enforcement, and fair lending, a private sector -- education loan ombudsman, and a chief information officer, to name just

a few.

I am incredibly grateful for the talented team that we have in place to help us carry out our importance mission.

Today I want to provide you an update on recent activities that demonstrate the Bureau's commitment to transparency, productive public discourse, and effective use of the tools that Congress gave us to protect consumers. I'll talk about clear rules of the road for financial services providers through our symposium series and our innovation policies. Second, with regard to our supervisory and enforcement tools I'll provide an update on consent orders, CIDs, and petitions. And I'll close by turning to our education tool and our savings initiative. But again, all of our efforts are aimed at preventing consumer harm and carrying out the important statutory missions of the Bureau.

As part of maturing our agency we are focused on ensuring that our rulemaking efforts are transparent and result in clear rules. Earlier this year, I announced a symposium series aimed at stimulating a

proactive and transparent dialogue. The goal of the series is to assist our policy development process, including possible future rulemakings. By approaching issues with an open mind and inviting experts with diverse viewpoints, the Bureau can arrive at better policy and decisions that enhance consumer protection.

So far we have held symposia focused on Section 1071 of the Dodd-Frank Act, behavioral law in economics, and on the prohibition of abusive acts or practices. Let me take a few moments to talk about abusive acts or practices.

As you know, the act was signed into law almost 10 years ago. It provided the Bureau with the authority to protect consumers from unfair, deceptive, or abusive acts or practices, or UDAAPs, a fundamental and critical responsibility. Although Congress provided some indication of its meaning through a definition in the act, abusiveness does not have the long, rich history of unfairness or deception. Substantial concerns have been raised about the uncertain and indeterminate meaning of certain terms Congress enacted in the definition.

The Federal Trade Commission has used its authority under the FTC Act to address unfair and deceptive acts or practices for over 80 years. And the prudential regulators have also enforced this prohibition since before the Bureau's existence.

Ultimately, this uncertainty is not beneficial to the marketplace. Businesses that want to comply with the law face great challenges in doing so and these challenges can impose large costs, including impeding innovation. And consumers ultimately may lose the benefits of improved products and lower prices if the lack of clarity imposes such costs.

During our symposium we heard a lot of great feedback to help us decide on a path forward. We have a responsibility to provide greater clarity on how the Bureau plans to implement and apply this standard. At the same time, we have to allow for environment to build the common law around abusiveness. We are looking to do both with a concrete step in the near future around this issue. I know it's of interest to many of you and we will be taking that step soon.

Our next symposium will be held in February of

next year and it will focus on another topic of great interest: consumer-authorized financial data sharing. I'm looking forward to the dialogue and the insights provided by the panelists on how we should move forward and I know it's something you've talked about here already as part of this conference.

In our role of protecting consumers Congress also tasked the Bureau with the mission of facilitating innovation and access to financial products and services for consumers. The Bureau recently announced our three innovation policies.

First, the compliance-assisted sandbox provides an environment where innovators, whether it's startups or established companies, can develop new technologies to address consumer needs. The Bureau will work with companies that are testing new financial products and services while sharing data with the Bureau. Our sandbox enables testing of a financial product or service where there's regulatory uncertainty arising under three enumerated consumer laws: the Truth in Lending Act, the Equal Credit Opportunity Act, and the Electronic Fund Transfer Act. Under the policy

Bureau approvals are a determination of compliance that companies can rely upon.

The second policy is a revised trial disclosure program through which covered persons may test alternative disclosures aimed at improving consumer understanding and efficiency. The new policy streamlines the review process and provides for time limit extension for successful disclosure tests. I am truly excited about the opportunities for more effective disclosures, so I challenge you to show us different disclosures work and that information may ultimately be used to help support improvement to our rules.

And the third policy is a revised No Action Letter policy. The No Action Letter provides regulatory certainty through a Bureau statement that under certain facts and circumstances we will not bring a supervisory or enforcement action regarding specified aspects of a product or service. We announced our first recipient: the United States Department of Housing and Urban Development. HUD acted on behalf of more than 1,600 HUD-certified housing counseling agencies that serve more than 1 million households annually. These HUD-

certified counselors offer pre-purchase homeownership counseling to potential borrowers looking to purchase their first home. They also enable borrowers to make informed choices based on their financial circumstances, so that they can achieve safe and sustainable homeownership.

Over the years, the Bureau has heard concerns from HUD, housing counselors, and mortgage lenders about regulatory uncertainty related to the Real Estate Settlement Procedures Act, or RESPA. The No Action Letter states that the Bureau will not take supervisory or enforcement action under RESPA against HUD-certified housing agencies for entering into certain fee-for-service arrangements with lenders for pre-purchase housing counseling services. Prior to this No Action Letter there was concern that such arrangements would be considered prohibited payments for referrals under RESPA.

Clarifying such uncertainty and ensuring clear rules paves the road for innovation. Innovation benefits consumers through increased competition, generating better and less expensive products and

services for consumers. New products and services expand access, especially to unbanked and underbanked households, giving more consumers access to the benefits of the financial system.

Innovations also have a big impact on credit underwriting. In considering AI and other emergent technologies, the Bureau is strongly committed to helping spur innovation while being mindful of possible risks. Alternative modeling techniques, such as the use of machine learning algorithms, have potential to expand access to credit for some of the approximately 45 million Americans with no or thin credit files. The technologies can also make models more efficient, leading to faster decision times, and potentially reducing the cost of credit. Given these potential benefits, we see these technologies as important to our mission.

Despite AI's potential to expand access to credit, uncertainty about how AI fits into the existing regulatory framework may be hindering adoption of this technology, especially for credit underwriting. One issue we've heard a lot about is whether complex AI

models are compatible with the adverse action notice requirements in the ECOA and Fair Credit Reporting Acts.

For example, ECOA requires creditors to explain to consumers the main reasons for denial of credit or other adverse action. FCRA includes additional requirements for credit report and similar information used in taking adverse action.

We are also aware that the development of tools and technologies to accurately explain complex AI decisions continues to develop, and we expect more methods will emerge. These developments hold great promise as ways to comply with adverse action notice requirements.

In addition, our innovation policies can be utilized to address areas of regulatory uncertainty, including for adverse action notices. We're particularly interested in exploring three areas: one, methods for determining the main reasons for a denial of credit or other adverse action; two, the accuracy of explainability methods; and three, experimentation on how to convey the reasons in a manner that accurately reflects the factors under in the model and is

understandable to the consumer.

The Bureau intends to leverage experiences gained through its innovation policies. For example, applications granted under those policies, as well as our other stakeholder engagement, may ultimately be used to help support an amendment to a regulation or the commentary to that regulation. We hope to facilitate the growth of technology to expand access to credit and benefit consumers.

Next, I want to briefly touch on our supervisory and enforcement tools. When an entity or individual violates the law, the Bureau will vigorously enforce the law. We have vital tools to help us carry out this task, including our civil investigative demands, or CIDs, and consent orders. Earlier this year, the Bureau announced that it would update its policies concerning CIDs to provide better information about what activity the Bureau is investigating and the relevant statutes that could have been violated. By providing more clarity the Bureau is operating in a more transparent way.

Another tool that we use is consent orders.

And consent orders are vital for the Bureau to ensure compliance with federal consumer financial laws under its authority. To date, the Bureau's consent orders may have fixed terms or indefinite terms. Since 2014, the majority of the Bureau's administrative consent orders have imposed five-year terms.

If an entity or an individual is the subject of an order, they may request termination of a consent order. And this can be done through either the regional director or enforcement assistant director, depending on which office is monitoring the consent order.

The Bureau has terminated a few consent orders in the past, and we are currently identifying ways to improve this process to promote consistency. And we are also committed to ensuring the consent orders remain in effect only as long as needed to achieve their desired effects. The ultimate goal here is to provide clarity and consistency in our policy related to consent orders and we will announce our updated policy soon.

As I think I've made clear, I want to make sure that everyone knows what the rules are and when they're in violation of them or in compliance with them.

This is also important for our examiners as they work to ensure that entities are in compliance.

To provide clarity on this front, the Bureau has been working with the prudential regulators to respond to the petition BPI and ABA submitted last November, asking that we codify the interagency guidance on guidance. While I don't have a full response today, I can assure you that I understand and agree with many of the concerns raised in this petition. There will be a formal and public response in the near future. And furthermore, in keeping with my commitment to transparency, the CFPB will make any such petitions and our responses public going forward.

The last tool that I want to mention is our education tool. The Bureau provides innovative resources to help consumers learn about financial products and issues so that they can make better informed decisions. For many of you in this room, your companies have programs to support consumers in developing their money management skills. The collective investment in improving money management skills of consumers is substantial. The CFPB estimated

it at a billion dollars in 2013.

But there is much more to be done to improve on the return on that investment. I believe we can increase the level of financial wellbeing by better aligning our efforts. And I think employers are uniquely in position to help their employees have the financial know-how to assess products and services that best meet with their needs.

Through our Start Small, Save Up Initiative, we've been bringing stakeholders together to think through how we increase people's opportunity to save and empower them to achieve their emergency savings goals as a step to improved financial wellbeing. We're focusing on three key areas that will help many Americans for whom savings is neither easy nor accessible.

First, at the community level, we're looking to work directly with a select number of communities around the country to help explore the specific barriers that people in those cities, towns, and counties may face and help them expand proven solutions. For instance, we know that a car breaking down in a city with available public transportation is a very different

scenario than a car breaking down in a rural area where the nearest bus stop is 30 miles away. And we also know that civic leadership in many of these communities is engaged in these issues and can be, and so it's really that partnership at the community level to bring everyone together to look at this problem for themselves and think through solutions that might provide best practices or insights for other parts of the country.

The second level really is at the employer level. our goal is to encourage employers to offer automated options, like financial coaching or Split to Save, where you can put a portion of your paycheck into your savings account and have that happen automatically. Again, many employers are already working in this direction introducing financial wellbeing programs for their employees, providing access to products and services that will help people smooth their finances. And so that's something that we absolutely want to work with them on and understand what's working.

The third level is really about working with our fellow federal regulators, with financial institutions, fintech companies. We can help identify

and grow the savings strategies that work and break down barriers that prevent people from starting or growing their emergency savings.

And many of you here are uniquely positioned to help improve the financial wellbeing of both your customers and your employees. And we know that you are innovative and have come up with such products that are trying to break down the barriers people face when it comes to building emergency savings. So we want to keep working with you on the effectiveness of these products and the opportunity to share those best practices and that information about what is working across industries and into other sectors, to really raise the level of savings in this country. As employers you play a key role in making savings easier for your employees by emphasizing emergency savings and implementing or enhancing these automated solutions.

I believe that by partnering we can increase the level of financial wellbeing by bringing our efforts together. I believe with the right coalition, putting our energy and talents toward this goal, we can significantly increase the financial wellbeing level

across the country.

We're not here to reinvent the wheel, but rather to put our shoulder to it alongside others. I look forward to the progress that we can achieve on moving the needle on the number of Americans that have a savings cushion.

So thank you for the opportunity to address you today and I look forward to the fireside chat and continuing the conversation. (Applause)

MS. PRAKESH: Well, thank you again, Director Kraninger, for joining us today. And I'm looking forward to our conversation.

So I know that you're almost hitting the year mark as the director of the CFPB, so I thought I'd ask you as a first question to reflect on how your year has gone and your thoughts on the direction that you've taken the CFPB in, as well as maybe some ways in which you think that there might still be work left to do.

MS. KRANINGER: Well, it is a five-year term, so there definitely is work left to do. But I think it's been just a fascinating journey, frankly. And certainly, I think many of you in the room who I've had

the opportunity to meet, I've met with over 800 stakeholders at this point at the Bureau. And really that's the conversation that has to continue in terms of helping set the priorities, pointing out the issues that need additional clarity.

You are really helping drive the agenda and, frankly, again, that fits in line very much with what I believe government should do. I know we're not always going to love what comes down the pike in terms of the laws that are written, but our working together to make sure we implement them as effectively and efficiently as possible is a key aspect of that.

You asked about priorities. I would say in addition to kind of setting the mission direction and outlining the tools the Bureau has in statute that we are going to use to carry out that mission, it's really two areas and they came through certainly in my remarks to you: thinking about savings and then looking at how our innovation policies can really help, you know, bolster the opportunities out there for Americans and reach those who don't have -- or who had not taken advantage of access to the financial system.

But I think there are some huge opportunities there and really getting applications into the innovation policies and seeing what works. And then on the savings front, putting some of these issues into practice and really demonstrating that they work.

MS. PRAKESH: Great. And you had sort of mentioned your listening tour and speaking with various stakeholders. As you've sort of embarked on meeting with folks and getting a better sense of the Bureau and your priorities for the Bureau, has there been any way that they've shifted just based on what you've learned in the prior year? And do you see that influencing how you set your priorities for the next few years to come?

MS. KRANINGER: Well, clearly the marketplace is a shifting and evolving effort there. And you're involved in obviously many of the new things that you bring to market and responding to those things, so that is constantly in flux.

Again, I believe the government's role and responsibility is to support that with consistency and stability and the kinds of things that enable you to make longer term plans around what actions you might

want to take in the marketplace. And that we should be transparent about the direction we're going as we recognize those shifting sands.

So I think while there are going to be regulations and we'll respond to whether it's court decisions or Congress' actions, we'll certainly be assessing the things that you're bringing to market and making sure that we're carrying out our responsibilities under the law.

You're going to hear the same thing from me. You might get bored with it for the new four years. It's definitely going to be a focus on those four tools, using them most effectively. I know some of the things I said early on about supervisory actions, you know, we haven't seen the fruits of yet. As I mentioned, we have a new head of SEFL, which is very exciting to me. And we are going to move out more on data analytics and getting to a more risk-based approach to when we're coming in on exams and how, so it's really carrying those things forward. And savings and innovation on top of that.

And frankly, too, as I said, it is a dialogue

where you're seeing issues, where there is uncertainty, we want to address it. But I think the innovation policies give us a good framework for that.

MS. PRAKESH: Sounds like a busy agenda.

MS. KRANINGER: It is.

MS. PRAKESH: So you sort of touched on this and, you know, before we get into some of the specifics of CFPB's activities, I thought I'd first ask you about a letter you recently wrote to Congress, which related to the for-cause removal provision, Title X of the Dodd-Frank Act, which there's been a question as to whether there are limits placed on the President's authority or remove the CFPB's director. And you noted in your letter to Congress that the CFPB had made a determination in line with what the DOJ had provided, that that provision is unconstitutional.

Could you share any views as to the CFPB's determination and, as a part of that, whether there's any views as to the severability of that provision should the Supreme Court find that to be unconstitutional?

MS. KRANINGER: Yes. I will say this is very

much active litigation, so there's not too much opining beyond what was in the letter. But at least so you can hear it from the horse's mouth here verbally, I would say it's first and foremost that the position that DOJ took and that, you know, I agreed with was that it is, in fact, a severable provision in the Dodd-Frank Act. And it really does help address the issues that are there.

At the end of the day, the Supreme Court will make its call on that and Congress will have an opportunity to weigh in. And I will abide by those decisions, rulings, or change in law.

But ultimately, I truly believe that for, again, that predictability and certainty for all of you in the marketplace, for consumers, we need to put this issue behind us affirmatively and have that clarity around the Bureau's structure and take that issue away from the delays that that has caused in enforcement actions and in regulatory actions.

MS. PRAKESH: So one of the priorities that you had mentioned at the outset of your tenure at CFPB, and you mentioned it in your remarks, as well, is

related to streamlining the regulations under the Bureau's authority and also to bring transparency to the Bureau's processes, and one of them included supervision.

And as you well know, the Dodd-Frank Act gives the CFPB authority, exclusive examination authority over depository institutions above 10 billion in assets and certain non-banks. And for many of these institutions, particularly the banks, there's, you know, you have your prudential bank regulators, you have your state regulators, and you have the CFPB, as well. And you've mentioned working with the prudentials to think about ways to streamline this process and avoid the overlapping efforts here.

Are there solutions or processes that you all have been thinking about or collaborating on to sort of, you know, ease the burdens in this when it comes to exams?

MS. KRANINGER: The answer to that is yes. I don't have concrete things I can tell you that are demonstrations of that being fixed at this point, but it is, I think, an iterative process that we are deeply

engaged in talking about, both as chair of the FFIEC, I have that avenue to be pushing this conversation, and also bilaterally and with particularly I'd say the OCC and the NCUA. We have gotten fairly concrete in conversations around how we can do joint examinations, how we can align our information requests, how we can think about that sharing of the information that has already been collected by one regulator or another.

I also can say the states are partners in this, as well. And to give the CFPB some credit, there has been a lot of joint examinations between the states and the CFPB, and that's something I want to further push as we go to the future on that.

CSBS has actually done some work on predictive analytics themselves. And so having that conversation with us, we're excited about looking at their tools. And also, I've had some conversations with those of you in the room and different financial institutions. Regtech provides some opportunities, as well, for the data collection process to be smooth or even precluded. I'm excited about the FDIC pilot around being able to see the data inside you systems without actually

retaining it or collecting it or having to deal with protecting it and holding it. So those are things that are, I think, opportunities.

The last thing I'll mention, because I'd get in trouble if I didn't, we did put out an RFI on Tech Sprints, and so it's very much related to this conversation about where are the true opportunities to streamline some of this? What can we look at in terms of regtechs or improvements?

MS. PRAKESH: So I thought I'd pivot a little bit to something that actually Comptroller Otting had touched on in his remarks yesterday, which related to small-dollar lending by banks, and responsible small-dollar lending. And he had mentioned and the FDIC has also mentioned trying to collaborate on ways in which to incentivize banks to get back into this market.

Can you speak to whether the CFPB is also engaged in that process with the prudentials and maybe how you were thinking about incentivizing banks back into this space?

MS. KRANINGER: Yes. I truly believe that combination in this space is going to be beneficial to

consumers. We know there is a need for small-dollar lending. That's demonstrated in the 12 million people who use payday loan products every year in this country. And so there is a real opportunity for responsible products in the marketplace.

And I will tell you, obviously, our focus right now is on the reconsideration of the 2017 rule and looking at the underwriting provisions associated with that. That is very much an active rulemaking and we have the comments back that we are assessing now.

The regulatory agenda came out yesterday, so I think it's public that the spring is when that final rule action, you know, whatever it may be, will be taken. And I very much would like to see other related efforts come together in that kind of a timeframe, too, so we can see what opportunities there are.

MS. PRAKESH: Thank you. So I thought I would turn to some payments-related rulemakings that are on the horizon for the CFPB or that you all have been thinking about.

One relates to, you know, modernization of Regulation E, which relates to consumer disclosures and

other provisions for electronic fund transfers. And one of the things that comes up in this, you know, with the modernization of Reg E really is newer, faster payments. And as the CFPB is thinking about potentially modernizing Regulation E, how do you see the linkage between newer, faster payments and Reg E modernization?

MS. KRANINGER: I will say with respect with real-time fast payments we absolutely see benefit consumers for that. We were just talking about savings. We were talking about small-dollar lending products. The opportunity for individuals to truly understanding when the money hits their account, when payments are due, the opportunity to be thinking about that in a real-time which is kind of the way people tend to think. So those are things that I think are opportunities for consumers. We're obviously paying attention to this space as it evolves and looking at how we can help consumers understand the changes that may be coming.

With Reg E modernization, you, again, are hitting on very similar things with respect to the trial disclosure policy. We see real opportunities there and real encourage you. I don't know if I've said it

enough. In every single forum I'm in and every time you see me, it's absolutely about getting some of these innovative ideas forward so we can get eth data from different disclosures and then move forward on some regulatory changes. So that's an opportunity.

There are also some real challenges product by product in terms of how these interact and how Reg Z interacts. So we are absolutely looking at the right sequencing of rulemaking efforts, but I think having data under our belts in terms of how we knew disclosures would work and what it looks like, will be hugely helpful on this run.

MS. PRAKESH: And in line with payments, I wanted to raise something that you had mentioned also in your remarks, which is related to the symposium on consumer access, authorized sharing of their financial data. And in 2017, the CFPB had put out principles on this. And I think those principles are becoming more relevant because consumers increasingly are, you know, using these services. They're providing their user name and password from their bank account to a third party or to a fintech to be able to, you know, issue payments or

get a better sense of their financial picture or aggregate all of their financial information.

But this also raises concerns, particularly with respect to data security. Right? You know, how are consumers being protected in this space? How is liability allocated?

How is the CFPB thinking about these issues? I know that there's a symposium coming in, but I guess if you have any thoughts on how you're sort of approaching this.

MS. KRANINGER: Well, it's definitely, again, a conversation we've been engaged with from the beginning. Congress did give us Section 1033 directly on point to this, which has, you know, led to the principles. And I think it's following that conversation that, too, to think through a little bit of a chicken-and-egg issue here, too, I suppose, whether the marketplace will come together with some market-driven solutions to this issue that will be better than, you know, government handing standards to you that would come about in some kind of rulemaking effort. And I've certainly heard stakeholders argue different sides of

that. And there are a lot of different interests at play here, too, that we're making sure we understand where any of these are coming from, depending on what they're -- which angle they're taking on that particular question.

I'd also say, you know, TCH put out a model data sharing agreement that I think, you know, some are using as a model, others have some questions about. I know we've heard that, too. so it's really just understanding what the interplay is there and the right time for the government to intervene. And obviously, we haven't decided that that's the case yet, but having this symposium is at least the opportunity to put some of these things front and center again and have that conversation about what the right way to approach is.

Definitely the interplay here, too, as well, with what's happening with privacy law. And so, again, there are many shifting sands on who is doing what both on the regulatory front and in the marketplace. So we want to make sure we are acting deliberately and smartly in this space.

MS. PRAKESH: So I know we're coming to the

end of our time and so I wanted to turn back to maybe the start of our conversation and talking a little bit about your year in review, so to speak. And one of the things you had mentioned there was, you know, listening to stakeholders, talking to stakeholders, and obviously the symposia offers a similar sort of approach.

I guess as you think about your next year, how can the institutions in this room, how can we continue to engage with the CFPB on its efforts and on its priorities?

MS. KRANINGER: Really around I think the research base for, again, what works in savings that'd be innovation policies. I'm just going to keep beating that. The innovation policies really are around, again, showing that things work or how they work.

I found, too, there is a very strategic reason why we issued the first No Action Letter at the same time we issued the policies. And it was really around showing people concretely what we are talking about. And I think the same thing comes into play here with any of the products and services, whether we're talking about AI used in underwriting or alternate data in

underwriting. Showing people what that actually means instead of talking about it in the abstract becomes a much more rich conversation in my experience. So I think it really is that.

I know it is certainly for some, not necessarily for banks, but for some in the financial services space or around it, coming to government is not the natural action. So banks are stuck with us, so that's the way that works. But I really would encourage you to come in and actually have a conversation with us about the opportunities here. And we want to really carry out that promotion of innovation and access for consumers.

MS. PRAKESH: Well, thank you so much for your time today, Director Kraninger. And thank you for spending time in chatting with me.

MS. KRANINGER: Thank you. Fantastic.

(Applause)

* * * * *

CERTIFICATE OF NOTARY PUBLIC

I, Carleton J. Anderson, III do hereby certify that the forgoing electronic file when originally transmitted was reduced to text at my direction; that said transcript is a true record of the proceedings therein referenced; that I am neither counsel for, related to, nor employed by any of the parties to the action in which these proceedings were taken; and, furthermore, that I am neither a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

Carleton J. Anderson, III

(Signature and Seal on File)

Notary Public in and for the Commonwealth of Virginia

Commission No. 351998

Expires: November 30, 2020

ANDERSON COURT REPORTING
500 Montgomery Street, Suite 400
Alexandria, VA 22314
Phone (703) 519-7180 Fax (703) 519-7190