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Federal Reserve Board of Governors
Attn: Ann E. Misback, Secretary of the Board
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Submitted via email: regs.comments@federalreserve.gov

Re: Request for Information on Bank Fintech Arrangements Involving Banking Products and Services Distributed to Consumers and Businesses – Docket No. OCC-2024-0014, Docket No. OP-1836, RIN 3064-ZA43.

MX Technologies, Inc (“MX”) appreciates the opportunity to provide comments in response to the Office of the Comptroller of the Currency’s (“OCC”), the Board of Governors of the Federal Reserve’s (“Fed”), and the Federal Deposit Insurance Corporation’s (“FDIC”); collectively, “the agencies”) request for information (“RFI”) on bank-fintech arrangements involving banking products and services distributed to consumers and business.

MX works with thousands of financial service providers to provide connectivity and white-label software solutions, from insight widgets to mobile banking apps to data enhancement. These tools help tens of millions of North American consumers better understand their financial data, gain a better experience managing their money, and make better financial decisions.

A fundamental aspect of all bank-fintech partnerships is the accessing, sharing, storing, and usage of financial data. From identity verification for account opening and money movement, to credit underwriting using alternative data sources like transaction history, to providing a single view of a consumer's accounts via data aggregation, or enabling a person living paycheck to paycheck to access their money earlier. Every year there are more use cases that require secure access to financial data - and as such, we need to have a more consistent, cross-agency view of key dimensions of open banking including liability, competition, and compliance.

We believe consumers should have access to - and the ability to control - all their financial data. While bank-fintech arrangements often rely on this data to power products and services to

consumers, we believe consumer financial data should only be used in ways that ultimately benefit the consumer.

The recent action by the CFPB in finalizing their rule under Section 1033 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is a great example of how complex just one element of bank-fintech partnerships can be. To enable the fulfillment of Section 1033's intent, (i.e., giving consumers the right to access and share their financial data) has taken nine years of collaboration and consultation; with the proposed rule garnering 11,000 comments from participants across the financial ecosystem.

With the CFPB's issuance of its final rule to implement Section 1033, the CFPB has made a significant leap forward in enshrining consumer rights, increasing privacy and security, and enabling data to flow more competitively for the ecosystem. There are still key gaps for the industry, and cross-agency collaboration, to solve. Covered data providers now have a six-year window depending on their asset size and status as a depository or nondepository institution to come into compliance with the final rule. In line with comments from CFPB Director Rohit Chopra, we also expect additional rulemaking to cover financial data beyond Reg E and Reg Z covered accounts.

While the accessing and sharing of financial data is systemically important to consumers and the businesses that serve them, the vectors of risk across the ecosystem could be more efficiently classified by use cases. This classification should be based on the level of risk posed to consumers, with higher-risk use cases involving money movement, credit scoring, or trade execution, for example.

We request that any contemplation of guidance or rulemaking on bank-fintech partnerships exclude the activities already covered under the final rule implementing Section 1033 of the Dodd-Frank Act. Increased clarity around consent, authorizations, and data usage limitations resulting from the rule's implementation will all provide significant transparency into the underlying data that drives bank fintech partnerships. The scope of the rule, however, is just the first step.

Right now, financial technology companies like MX, are increasingly governed by proxy - by our contractual relationships with covered institution clients and partners. Most of which have different state-level requirements, and different requests of MX for security audits and data governance. Clearer regulatory frameworks will enable both better consumer protection, and more proactive compliance investment - ensuring investment in innovation can continue within clearer guardrails.

Beyond audit requests, MX is also governed by bilateral agreements with data providers. These ensure that liability is addressed, insurance requirements are in place, data usage rights are limited, and security standards are clear. Pass-through obligations ensure that thousands of MX clients are also covered. Bilateral agreements are a heavy investment for all parties to engage in, and differ between ecosystem participants. Cross-agency guidance that solves for regulatory

gaps in current rulemaking would ensure that time spent negotiating bilateral agreements could be redeployed to innovations that help drive consumer outcomes.

MX has been a leader in consumer-permissioned data sharing for more than a decade. The MX platform was architected with privacy-first principles. We require consumer permission before we allow our services to be used to identify, access, and share financial data. We do not aggregate data into files about individual consumers but provide consumer-permissioned data on a per-use case basis. The ability for us to fulfill our mission of empowering the world to be financially strong will be further enhanced by clearer cross-agency guidance on data governance and oversight.

We appreciate the opportunity to provide learnings and input on the gaps that interagency collaboration can help to clarify.

Sincerely

Jane Barratt
Chief Advocacy Officer
MX Technologies, Inc.