



May 21, 2018

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
2129 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
2129 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Hensarling and Ranking Member Waters:

The Consumer Bankers Association (CBA) supports the committee's consideration of H.R. 4439, the Modernizing Credit Opportunities Act, which would clarify a bank's true lender status when it utilizes a third party in loan origination. CBA is the voice of the retail banking industry whose products and services provide access to credit to millions of consumers and small businesses. Our members operate in all 50 states, serve more than 150 million Americans and collectively hold two-thirds of the country's total depository assets.

Innovations in digital and communication technologies have enabled banks to develop new lending channels to better serve consumers and provide them with greater access to capital. By forming partnerships with technologically-sophisticated companies, banks can enhance the customer experience and compete with nonbank digital lending platforms.

Banks and credit unions should be encouraged to provide credit to consumers through online lending channels. Unfortunately, recent court cases have stifled progress in this area by questioning the true lender status of bank-originated loans using financial technology lending platforms. The Modernizing Credit Opportunities Act will allow CBA members to better serve their customers by amending existing law to clarify that a bank retains the authority to export interest rates or preempt state usury laws on any loan to which the bank is a signatory.

CBA looks forward to working with members of the committee for House consideration of H.R. 4439, a bill that would ensure banks can continue to innovate and provide greater customer access to banking products.

Sincerely,

A handwritten signature in black ink that reads "Richard Hunt". The signature is written in a cursive, flowing style.

Richard Hunt
President and CEO
Consumer Bankers Association