

From the Desk of Brian R. Knight

October 19, 2018

Senator Dean Heller
324 Hart Senate Office Building
Washington, DC 20510

Dear Senator Heller,

Thank you for the opportunity to testify before the Senate Committee on Banking, Housing, and Urban Affairs on September 18, 2018, at the hearing entitled “Fintech: Examining Digitization, Data, and Technology.” I am happy to provide my response to your Question for the Record, as follows.

Question: In Nevada, Industrial Loan Companies (ILCs) play an important role in our economy. There is a growing demand for ILCs which have proven to meet consumer needs throughout the country. The current FDIC Chair has said that she welcomes ILC applications. Do you believe that a fintech company that meets FDIC requirements should be allowed to be chartered as an ILC?

Answer: Expanding competition and innovation in banking services will benefit consumers. Therefore, we should have a presumption that a fintech firm that meets the statutory and regulatory requirements for an ILC charter should be granted a charter. Risks created by granting a charter could likely be addressed through existing regulation and competition protection mechanisms. To the extent that additional protections or limitations are needed to handle unique circumstances, Congress should pass legislation to create those protections or limitations.

I hope this additional information is helpful in the committee’s consideration of issues related to fintech. Please feel free to contact me if I can provide any additional information.

Sincerely,

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