



Mr. Paul Watkins  
Director Office of Innovation  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Dear Mr. Watkins,

The Marketplace Lending Association (MLA) wishes to offer our viewpoint on the implementation of the Consumer Financial Protection Bureau's (CFPB)'s, 2017 "*Consumer Protection Principles: Consumer-Authorized Financial Data Sharing and Aggregation.*"<sup>1</sup>

There have been a number of market changes since the principles were published more than two years ago. MLA Members for instance, are strongly supportive of the recent "*Interagency Statement on the Use of Alternative Data in Credit Underwriting.*"<sup>2</sup> To that end, MLA and its members would welcome further clarification around consumer-permissioned data for use in credit underwriting. One of the key statements made in the 2017 Principles reads as follows:

*"Consumers are generally able to authorize trusted third parties to obtain such information from account providers to use on behalf of consumers, for consumer benefit, and in a safe manner."*

Fortunately, this is a principle that has been generally respected in the marketplace; MLA members have found that consumers and small businesses wishing to access credit options from MLA platforms have been able to authorize trusted third parties to share needed information to apply for credit. The growth of online marketplace lending is a testament to the success of the industry in providing for both access to new products and services and a secure environment for customers.

A consumer's right to access and share their own financial data is currently codified in statute by Section 1033 of the Dodd-Frank Act. Access to customer data has been crucial to the development of online marketplace lending. Today, marketplace lending platforms are making sure that consumers and businesses can readily access the capital they need to thrive and grow. These platforms are reaching borrowers with more cost effective, convenient credit options, made possible in part by the ability of customers to securely share their financial information with online platforms. The growth of this industry has saved borrowers billions of dollars via lower interest rates and more transparent terms.

Dodd Frank Section 1033 makes clear that unnecessary and burdensome restrictions may not be placed on an individual's ability to access and share their own financial data.

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<sup>1</sup> [https://files.consumerfinance.gov/f/documents/cfpb\\_consumer-protection-principles\\_data-aggregation.pdf](https://files.consumerfinance.gov/f/documents/cfpb_consumer-protection-principles_data-aggregation.pdf)

<sup>2</sup> <https://www.federalreserve.gov/newsevents/pressreleases/files/bcreg20191203b1.pdf>

Ongoing clear guidance from regulators can help guarantee that there is no confusion that it is the consumer, and no one else, who gets to choose which pieces of their financial information can be accessed and shared.

In the more than two years that the principles have been in place, news reports have indicated that in certain instances, consumer-permissioned access by trusted parties has been denied by financial institutions for what appear to be competitive / commercial purposes. These types of actions are not in keeping with the principle of consumers having control over their own financial information.

Guaranteeing customers' access to their own data will help continue to drive the financial innovation that will be crucial to economic growth; traditional financial institutions, financial technology firms, and regulators should all work collaboratively to make sure that financial services customers can find the tools and products that will enable them to borrow, save, and invest in the manner that best meets their financial needs.

The MLA would like to again thank the CFPB for remaining vigilant on this important issue and we look forward to ongoing participation in this dialogue.

Sincerely,

Nathaniel Hoopes

Executive Director - Marketplace Lending Association