

OCT 10 2014

We're open to innovative approaches to benefit consumers

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Take a look around and you'll see that the consumer financial marketplace is experiencing constant and rapid change. New technologies and insights can impact the way we borrow, save, transact, and receive information we need about finances. This environment can pose benefits and risks to consumers. Consumer-friendly innovation can drive down costs, improve transparency, and make people's lives better. On the other hand, new products can also pose unexpected risks to consumers through dangers such as hidden costs or confusing terms.

Our focus is on making financial markets work for American consumers — we want a marketplace where the costs and risks are clear, and no consumer is harmed by unfair, deceptive, or abusive acts or practices.

In addition to establishing strong consumer protections and holding bad actors accountable, we also want to support marketplace innovation so that new and emerging products that are safe and beneficial for consumers can be developed. We do not want regulations to unnecessarily limit consumer-friendly developments.

We're open to new ideas that benefit consumers. So we're publishing for comment a proposal for a limited No-Action Letter policy. The goal is simple: create a process to reduce the regulatory uncertainty that may exist for certain emerging product or services which stand to benefit consumers. To get all the details, you'll need to review the [proposed policy](#). But let me try to break it down and share the highlights.

Overview

This proposed policy is suited for new financial products or services where there may be uncertainty about how they fit in the existing statutes and regulations. Of course, such products or services must hold the promise for significant consumer benefit.

The proposed policy would allow our staff to send a No-Action Letter to a company that tells them the staff isn't planning to recommend initiation of supervisory or enforcement action with respect to specific aspects of a particular legal requirement in connection with a firm's offering or provision of a new product as described to the Bureau. A No-Action Letter can be revoked, and it may be limited by time, volume, or in other ways.

The proposed policy would not be a waiver of any law or regulation, and it doesn't give a requesting entity an exemption from complying with any statutory or regulatory rules. It also would not spell out our official interpretation of a statutory or regulatory requirement. What it would mean is that, subject to some limitations, our staff would not recommend initiating supervisory or enforcement action against the requester with respect to the provisions specified in the letter. It would not, however, prevent any other regulator or person from asserting that the product violated legal requirements.

How it works

Under the proposed policy, the No-Action Letter would not be an available tool unless the applicant shows the product holds the promise of substantial consumer benefit. As part of the application process, we would require an applicant to thoroughly demonstrate the characteristics of the proposed product, how it will work, and what consumer risks are involved. An applicant will need to explain exactly what regulatory uncertainty exists and how that uncertainty interferes with the development of the product. In addition, the applicant will need to demonstrate what consumer safeguards are in place and how consumer interests and safety will be monitored.

How to work with us

There would be a formal application process as laid out in the proposed policy, but interested stakeholders would also be advised to reach out to our [Project Catalyst](#) team to initiate a preliminary discussion about their ideas. We anticipate that No-Action Letters would be issued infrequently and they would be issued at our sole discretion only after the applicant makes a thorough and persuasive demonstration that all the policy's criteria, including the likely provision of consumer benefit, are met.

Check out the [proposed policy](#) for the details. This notice will be published in the *Federal Register* next week. We'll update this post with a link to submit comments on Regulations.gov. You can also submit them by mail or hand delivery as indicated in the notice. Comments on this blog post will not be accepted as official comments on the proposed policy.

We look forward to hearing from you!