

[DISCUSSION DRAFT]

119TH CONGRESS
2D SESSION

H. R. _____

To promote innovation in financial services, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

M_____. _____ introduced the following bill; which was referred to the
Committee on _____

A BILL

To promote innovation in financial services, and for other
purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Financial Services Innovation Act of 2026”.

6 (b) TABLE OF CONTENTS.—The table of contents for
7 this Act is as follows:

- Sec. 1. Short title; table of contents.
- Sec. 2. Definitions.
- Sec. 3. Agency identification of regulatory areas.
- Sec. 4. Establishment or designation of FSIO at agencies.
- Sec. 5. FSIO Liaison Committee and chair.

Sec. 6. Petition to agency.
Sec. 7. Agency determination of petition.
Sec. 8. Enforceable compliance agreement.
Sec. 9. Report to Congress.

1 **SEC. 2. DEFINITIONS.**

2 In this Act, the following definitions shall apply:

3 (1) AGENCY.—The term “agency” means each
4 of the Board of Governors of the Federal Reserve
5 System, the Bureau of Consumer Financial Protec-
6 tion, the Department of Housing and Urban Devel-
7 opment, the Department of the Treasury, the Fed-
8 eral Deposit Insurance Corporation, the Federal
9 Housing Finance Agency, the National Credit Union
10 Administration, the Office of the Comptroller of the
11 Currency, and the Securities and Exchange Commis-
12 sion.

13 (2) AGENCY REGULATION.—The term “agency
14 regulation” means—

15 (A) a rule (as defined in section 551 of
16 title 5, United States Code) issued by an agen-
17 cy;

18 (B) guidance issued by an agency; or

19 (C) a published, proposed, or interim rule,
20 policy statement, directive, adjudication, or in-
21 terpretation of an agency.

22 (3) BANK SECRECY ACT.—The term “Bank Se-
23 crecy Act” means—

1 (A) section 21 of the Federal Deposit In-
2 surance Act (12 U.S.C. 1829b);

3 (B) chapter 2 of title I of Public Law 91–
4 508 (12 U.S.C. 1951 et seq.); and

5 (C) subchapter II of chapter 53 of title 31,
6 United States Code.

7 (4) ENFORCEABLE COMPLIANCE AGREE-
8 MENT.—The term “enforceable compliance agree-
9 ment” means an agreement described under section
10 8.

11 (5) FINANCIAL INNOVATION.—The term “finan-
12 cial innovation” means a financial product or service
13 (as defined in section 1002 of the Consumer Finan-
14 cial Protection Act of 2010 (12 U.S.C. 5481))—

15 (A) the delivery of which is enabled by
16 technology; and

17 (B) that is or may be subject to an agency
18 regulation or Federal statute.

19 (6) FSIO.—The term “FSIO” means a Finan-
20 cial Services Innovation Office established pursuant
21 to section 4.

22 (7) PERSON.—The term “person” means an in-
23 dividual, partnership, company, corporation, associa-
24 tion, trust, estate, cooperative organization, or other
25 entity.

1 **SEC. 3. AGENCY IDENTIFICATION OF REGULATORY AREAS.**

2 Not later than 60 days after the date of the enact-
3 ment of this Act, and biannually thereafter, each agency
4 shall publish in the Federal Register a nonexclusive list
5 that identifies 3 or more areas of existing agency regula-
6 tion—

7 (1) that apply or may apply to a financial inno-
8 vation; and

9 (2) that the agency would consider modifying or
10 waiving if the agency were to receive a petition
11 under section 6 relating to that regulation.

12 **SEC. 4. ESTABLISHMENT OR DESIGNATION OF FSIO AT**
13 **AGENCIES.**

14 (a) IN GENERAL.—Each agency shall establish or
15 designate an office within the agency to be known as the
16 “Financial Services Innovation Office”. Each such Finan-
17 cial Services Innovation Office shall promote financial in-
18 novations and assist persons whose petitions are approved
19 under section 7.

20 (b) ADMINISTRATION.—Each agency shall designate
21 an individual to serve as the head of the agency’s FSIO.

22 (c) DUTIES.—

23 (1) GENERAL DUTIES.—The head of each agen-
24 cy’s FSIO shall—

25 (A) support the development of financial
26 innovations;

1 (B) coordinate with FSIOs at other agen-
2 cies to share information and data about finan-
3 cial innovations;

4 (C) upon request, coordinate with relevant
5 State regulatory entities to provide information
6 to the public with respect to financial innova-
7 tions and agency regulations related to such fi-
8 nancial innovations; and

9 (D) establish procedures to reduce the reg-
10 ulatory burden of offering a financial innovation
11 to the public and enable greater access to finan-
12 cial innovations.

13 (2) DUTIES FOR PETITIONS.—With respect to a
14 person with an approved petition under section 7,
15 the head of each agency’s FSIO shall—

16 (A) work with the person to address issues
17 of how existing regulatory frameworks of the
18 agency apply to the financial innovation that is
19 the subject of the petition;

20 (B) assist the person in complying with
21 any requirements of the agency with respect to
22 the financial innovation; and

23 (C) assist the person in responding to any
24 challenges to a modification or a waiver granted
25 under subsection (d).

1 (d) WAIVER AUTHORITY.—The head of each agency,
2 acting through the agency’s FSIO, may modify or waive
3 the application of an agency regulation of the agency or
4 a Federal statute under which the agency has rulemaking
5 authority if—

6 (1) a petition has been approved under section
7 7; and

8 (2) the agency determines that compliance with
9 such agency regulation or Federal statute would im-
10 pede the ability of a person to offer the financial in-
11 novation that is the subject of the petition.

12 (e) TERMINATION OF OTHER PROGRAMS; TRANSFER
13 OF AUTHORITY.—

14 (1) IN GENERAL.—Not later than 90 days after
15 the establishment or designation of a FSIO at an
16 agency, the agency shall modify any offices or pro-
17 grams at the agency that promote financial innova-
18 tions or assist persons in offering financial innova-
19 tions, and merge or transfer the operations of such
20 offices or programs into the FSIO.

21 (2) TRANSFER OF AUTHORITY.—On the date
22 that is 90 days after the establishment or designa-
23 tion of a FSIO at an agency, the administration of
24 any rule, policy, or prior agency determinations re-
25 lating to promoting financial innovations or assisting

1 persons in offering financial innovations, including
2 no-action letters and staff advisory opinions, shall be
3 transferred to the FSIO of that agency.

4 (f) REPORT.—Not later than 6 months after the date
5 of the enactment of this Act, and annually thereafter, each
6 agency shall present testimony to the Congress and submit
7 a report to the Congress and to the Financial Stability
8 Oversight Council on the activities of the FSIO of such
9 agency, including a description of the petitions considered,
10 the rationale for acceptance or rejection of petitions, and
11 the efforts of the FSIO to encourage financial innovations.

12 **SEC. 5. FSIO LIAISON COMMITTEE AND CHAIR.**

13 (a) ESTABLISHMENT.—Not later than 60 days after
14 the date of the enactment of this Act, the agencies shall
15 establish a committee to be known as the “FSIO Liaison
16 Committee”.

17 (b) MEMBERS.—The FSIO Liaison Committee shall
18 be composed of the head of each FSIO described under
19 section 4 and a State banking supervisor selected by the
20 Conference of State Bank Supervisors (or a successor or-
21 ganization).

22 (c) DUTIES.—The FSIO Liaison Committee shall—
23 (1) consult on the administration, coordination,
24 and oversight with the FSIO of each agency;

1 (2) facilitate the cooperation of each FSIO to
2 ensure that agencies share information and data on
3 petitions submitted under section 6;

4 (3) monitor proposals for agency regulation and
5 developments related to financial innovations;

6 (4) encourage the application of uniform prin-
7 ciples and standards at each FSIO; and

8 (5) facilitate collaboration with relevant State
9 regulatory entities to provide information to the pub-
10 lic with respect to financial innovations and agency
11 regulations related to such financial innovations.

12 (d) MEETINGS.—The FSIO Liaison Committee shall
13 meet at least twice a year.

14 (e) CHAIR.—

15 (1) ESTABLISHMENT.—The first Chair of the
16 FSIO Liaison Committee shall be elected by the
17 members. The Chair shall serve for a term of 2
18 years and thereafter the chairmanship shall rotate
19 among the members of the committee.

20 (2) POWERS OF THE CHAIR.—The Chair is au-
21 thorized to carry out the internal administration of
22 the FSIO Liaison Committee, including the appoint-
23 ment and supervision of employees and the distribu-
24 tion of tasks among members, employees, and ad-
25 ministrative units.

1 (f) TESTIMONY.—Not later than 6 months after the
2 date of the enactment of this Act, and annually thereafter,
3 the Chair of the FSIO Liaison Committee shall present
4 testimony to the Congress on the activities of the FSIO
5 Liaison Committee.

6 (g) FUNDING.—

7 (1) COMPENSATION OF MEMBERS.—Each mem-
8 ber of the FSIO Liaison Committee shall serve with-
9 out additional compensation but shall be entitled to
10 reasonable expenses incurred in carrying out official
11 duties as such a member.

12 (2) GENERAL EXPENSES.—The costs and ex-
13 penses of the FSIO Liaison Committee, including
14 the salaries of employees, shall be split equally be-
15 tween, and paid by, each agency.

16 **SEC. 6. PETITION TO AGENCY.**

17 (a) IN GENERAL.—A person may submit a petition
18 to an agency, through the agency's FSIO, in such form
19 and in such manner as the agency's FSIO may require,
20 to request to enter into an enforceable compliance agree-
21 ment containing a modification or waiver of an agency reg-
22 ulation of the agency or the Federal statute under which
23 the agency has rulemaking authority with respect to—

24 (1) the person; or

1 (2) a financial innovation the person offers or
2 intends to offer.

3 (b) CONTENTS.—In a petition submitted under this
4 section, the person shall—

5 (1) identify any requirement under which the
6 agency has rulemaking authority or the agency regu-
7 lation of the agency for which the person is request-
8 ing a modification or waiver;

9 (2) explain why such modification or waiver is
10 essential to the operation of the person;

11 (3) submit an alternative compliance strategy
12 that proposes a method to comply with such require-
13 ment or agency regulation;

14 (4) demonstrate that under the alternative com-
15 pliance strategy, the financial innovation—

16 (A) would serve the public interest;

17 (B) improves consumer access to a finan-
18 cial product or service;

19 (C) would not present a national security
20 risk to the United States;

21 (D) would meet the purposes of anti-money
22 laundering and countering the financing of ter-
23 rorism obligations under the Bank Secrecy Act;

24 (E) would not present systemic risk to the
25 United States financial system; and

1 (F) would promote consumer protection;

2 (5) provide a detailed business plan; and

3 (6) propose a date on which an enforceable
4 compliance agreement would terminate and explain
5 why such termination date would be appropriate.

6 (c) MULTIPARTY PETITIONS.—One or more persons
7 that offer or intend to offer similar financial innovations
8 may jointly submit a petition under this section.

9 (d) NOTICE AND COMMENT.—

10 (1) IN GENERAL.—Not later than 30 days after
11 receiving a petition, the agency that receives the pe-
12 tition shall publish the petition in the Federal Reg-
13 ister and provide a 60-day period for public notice
14 and comment.

15 (2) EXCEPTION FOR NOTICE AND COMMENT PE-
16 RIOD.—The agency that receives the petition may
17 waive the notice and comment period described in
18 paragraph (1) if such agency determines that the
19 person submitting the petition is similarly situated
20 to another person that has been granted approval of
21 a petition pursuant to section 7.

22 (3) CONFIDENTIALITY.—The agency shall
23 maintain the confidentiality of any nonpublicly avail-
24 able data or information in any petition submitted
25 under this section. The agency shall give reasonable

1 consideration to maintaining the confidentiality of
2 data or information identified by the person in the
3 petition submitted under this section.

4 **SEC. 7. AGENCY DETERMINATION OF PETITION.**

5 (a) IN GENERAL.—Not later than 30 days after the
6 end of the comment period described under section 6 (or
7 if the comment period was waived, not later than 90 days
8 after receipt of a petition under section 6), the head of
9 the agency receiving the petition shall complete a review
10 of the petition and notify the person who submitted the
11 petition, in writing, of the agency's determination of the
12 petition.

13 (b) APPROVAL OF PETITION.—

14 (1) IN GENERAL.—An agency shall approve a
15 petition if the agency has determined that—

16 (A) the alternative compliance strategy
17 proposed by the person in the petition satisfies
18 the requirements described in section 6(b)(4);
19 and

20 (B) the person who submitted the petition
21 has, with respect to the financial innovation the
22 person offers or intends to offer, sufficiently
23 identified—

1 (i) the regulations and Federal stat-
2 utes of which the person is seeking waiver
3 or modification; and

4 (ii) other applicable regulations and
5 Federal statutes with which the person in-
6 tends to comply.

7 (2) NOTIFICATION TO STATE REGULATORY
8 AGENCIES.—If an agency approves a petition, the
9 agency shall, with respect to each State regulatory
10 agency with jurisdiction over the person who sub-
11 mitted the petition or the financial innovation about
12 which the person submitted the petition—

13 (A) notify such State regulatory agency
14 that the agency has approved the petition; and

15 (B) provide such State regulatory agency
16 information about the terms of the enforceable
17 compliance agreement entered into between the
18 person and the agency.

19 (c) DISAPPROVAL OF PETITION.—

20 (1) IN GENERAL.—An agency may disapprove a
21 petition if the agency has determined that—

22 (A) the alternative compliance strategy
23 proposed by the person in the petition does not
24 satisfy the requirements described in section
25 6(b)(4); or

1 (B) the person who submitted the petition
2 has not, with respect to the financial innovation
3 the person offers or intends to offer, sufficiently
4 identified—

5 (i) the regulations and Federal stat-
6 utes of which the person is seeking waiver
7 or modification; and

8 (ii) other applicable regulations and
9 Federal statutes with which the person in-
10 tends to comply.

11 (2) WRITTEN NOTICE REQUIRED.—If an agency
12 disapproves a petition the agency shall provide the
13 person who submitted the petition with a written no-
14 tice explaining the reason for such disapproval and
15 such written notice shall include a description of—

16 (A) any benefits of disapproving the peti-
17 tion, including an identification of persons likely
18 to benefit from the disapproval of the petition;

19 (B) any costs, including potential costs, of
20 disapproving the petition, including an identi-
21 fication of persons likely to bear the costs asso-
22 ciated with the disapproval of the petition; and

23 (C) the baseline used by the agency to de-
24 termine the likely economic consequences of dis-
25 approving the petition.

1 (d) RESUBMITTAL.—Receipt of a notice of dis-
2 approval of a petition under this subsection shall not pre-
3 clude a person from revising and resubmitting such peti-
4 tion to the agency under section 6.

5 (e) JUDICIAL REVIEW.—A person may seek judicial
6 review of an agency’s determination on a petition in ac-
7 cordance with subchapter II of chapter 5 of title 5, United
8 States Code, and chapter 7 of such title (commonly known
9 as the “Administrative Procedure Act”).

10 **SEC. 8. ENFORCEABLE COMPLIANCE AGREEMENT.**

11 (a) IN GENERAL.—If an agency approves a petition
12 under section 7, the person who submitted such petition
13 shall enter into an enforceable compliance agreement with
14 such agency, which shall include—

15 (1) the terms under which the approved finan-
16 cial innovation may be developed or offered to the
17 public; and

18 (2) any requirements of the person and such
19 agency with respect to the financial innovation.

20 (b) REQUIREMENTS.—Each agency, by rule, shall es-
21 tablish requirements relating to enforceable compliance
22 agreements that include—

23 (1) procedures for modifying the terms of the
24 agreement;

1 (2) consequences for failure to comply with the
2 terms of the agreement;

3 (3) a compliance examination process that—
4 (A) solicits feedback from other agencies
5 on the agreement; and

6 (B) occurs not less frequently than annu-
7 ally;

8 (4) a termination date for the agreement that
9 is at least 1 year and not more than 3 years after
10 the date on which the agreement is entered into;

11 (5) procedures and standards for extending the
12 termination date, including procedures and stand-
13 ards for evaluating the effectiveness of the agree-
14 ment; and

15 (6) procedures for maintaining the confiden-
16 tiality of any information disclosed to the agency
17 during the process of drafting and entering into
18 agreement.

19 (c) JOINING OF AGREEMENT BY ADDITIONAL AGEN-
20 CIES.—With respect to a financial innovation that is the
21 subject of an enforceable compliance agreement entered
22 into under this section, an agency that did not enter into
23 such enforceable compliance agreement may join as a
24 party to the enforceable compliance agreement entered
25 into pursuant to this section.

1 (d) ENFORCEMENT ACTIONS BY NON-PARTY AGEN-
2 CIES.—An agency that is not a party to an enforceable
3 compliance agreement entered into under this section—

4 (1) may not attempt to enforce, against the
5 person who is party to the enforceable compliance
6 agreement, any regulation or Federal statute modi-
7 fied or waived by the enforceable compliance agree-
8 ment; and

9 (2) may continue to enforce, against the person
10 who is party to the enforceable compliance agree-
11 ment, any regulation or Federal law over which the
12 agency has enforcement authority that has not been
13 modified or waived by the enforceable compliance
14 agreement.

15 (e) ARBITRATION.—A person who is party to the en-
16 forceable compliance agreement may elect to arbitrate any
17 action initiated by another person relating to a financial
18 innovation that is the subject of the enforceable compli-
19 ance agreement.

20 (f) RULE OF CONSTRUCTION.—Nothing in this Act
21 shall be construed to limit the ability of an agency to en-
22 force the requirements of an enforceable compliance agree-
23 ment entered into under this Act.

1 **SEC. 9. REPORT TO CONGRESS.**

2 Not later than 1 year after the date of the enactment
3 of this Act, and annually thereafter, the Financial Sta-
4 bility Oversight Council shall submit to the Congress a
5 report on the aggregate impact of enforceable compliance
6 agreements entered into under this Act, which shall in-
7 clude—

8 (1) the number and characteristics of the agree-
9 ments;

10 (2) the most innovative and least burdensome
11 tools that the agencies' FSIOs have implemented to
12 allow a financial innovation that is the subject of an
13 enforceable compliance agreement to be offered;

14 (3) strategies implemented to coordinate and
15 facilitate cooperation among FSIOs;

16 (4) the existing Federal laws, regulations, or
17 practices that the Financial Stability Oversight
18 Council identifies as the most burdensome to innova-
19 tion that adversely affect competition in the financial
20 services industry, or that restrict improvements for
21 consumers of financial products or services; and

22 (5) an identification of the overlap or frag-
23 mentation of agency regulations of financial prod-
24 ucts or services and recommendations for reducing,
25 consolidating, or eliminating such overlap or frag-
26 mentation.