

## [DISCUSSION DRAFT]

119TH CONGRESS  
2D SESSION

H. R.

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

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### IN THE HOUSE OF REPRESENTATIVES

M\_\_. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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## 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 Develop-  
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—

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 Financial  
20 Services Innovation Office established pursuant  
21 to section 4.

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

2 Not later than 60 days after the date of the enactment  
3 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 regulation—

7 (1) that apply or may apply to a financial innovation; 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 Financial  
17 Services Innovation Office shall promote financial innovations and assist persons whose petitions are approved  
18 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 agency’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;

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.

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

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

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.—

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;

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 financial product or service;

18

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

(D) would meet the purposes of anti-money laundering and countering the financing of terrorism 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.

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.

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-

8 (ii) other applicable regulations and

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;

(B) any costs, including potential costs, of  
decreasing the quantity, including reduction

21 fication of persons likely to bear the costs asso-

22 associated with the disapproval of the petition; and  
23 (C) a check list and a ledger.

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;

3 (3) a compliance examination process that—

4 (A) solicits feedback from other agencies  
5 on the agreement; and

(B) occurs not less frequently than annually;

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

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.