



**TECHNET**  
THE VOICE OF THE  
INNOVATION ECONOMY

November 16, 2017

Contact:  
Scott Gerber, (202) 463-0067

## **TechNet Applauds Bipartisan Bill Clarifying “True Lender” in Fintech Partnerships**

*Washington, D.C.* — TechNet, the national, bipartisan network of innovation economy CEOs and senior executives, today commented on the introduction of the *Modernizing Borrower Credit Opportunities Act of 2017*, a bipartisan bill championed by Representatives Trey Hollingsworth (R-IN), Alcee Hastings (D-FL), Blaine Luetkemeyer (R-MO), and Henry Cuellar (D-TX).

The bill aims to address ambiguities in existing law, which provides that banks may charge interest on loans wherever they are made and at the rate allowed by the bank’s home state. However, with growing partnerships between banks and financial technology (fintech) companies, the current law leaves unclear whether the bank is defined as the true lender. This bill would clarify the bank as the true lender in these instances, and provide federal rate preemption — regardless of whether they work with a fintech company in the origination or servicing of the loan.

The following statement can be attributed to Linda Moore, President & CEO of TechNet:

**“This bill addresses an important area of fintech policy that has emerged in recent years. Banks need to get back in the business of lending, and fintech innovators have a key role to play.**

**“By achieving greater regulatory clarity provided by this legislation, banks and fintech companies will be better positioned to launch partnerships that help provide more accurate and complete credit histories for many Americans and help responsibly provide them with loans. TechNet applauds Representatives Cuellar, Hastings, Hollingsworth, and Luetkemeyer for introducing this important legislation that promises responsible credit for millions of American families.”**

### **About TechNet**

*TechNet is the national, bipartisan network of technology CEOs and senior executives that promotes the growth of the innovation economy by advocating a targeted policy agenda at the federal and 50-state level. TechNet’s diverse*

*membership includes dynamic startups and the most iconic companies on the planet and represents three million employees and countless customers in the fields of information technology, e-commerce, the sharing and gig economies, advanced energy, cybersecurity, biotechnology, venture capital, and finance. TechNet has offices in Washington, D.C., Silicon Valley, San Francisco, Sacramento, Austin, Boston, Olympia, Albany, and Tallahassee.*

###