

Appendix III: Comments from the Consumer Financial Protection Bureau



1700 G Street NW, Washington, D.C. 20552

February 13, 2023

Via electronic mail

Michael Clements
Director of Financial Markets and Community Investment
Government Accountability Office

Dear Mr. Clements:

Thank you for the opportunity to review and comment on the Government Accountability Office's (GAO) draft report, titled *Financial Technology: Products Have Benefits and Risks to Underserved Consumers, and Regulatory Clarity is Needed* (GAO-23-105536). We greatly appreciate GAO's work over the course of this engagement and believe the report provides valuable information about, among other things: (1) the benefits, risks, and limitations of selected financial technology products for underserved consumers and what is known about the extent to which underserved consumers have used them, and (2) the steps federal and state regulators are taking to assess selected financial technology products.

GAO makes the following recommendation: "The Director of the Consumer Financial Protection Bureau should issue clarification on the application of the Truth in Lending Act's definition of 'credit' for earned wage access products not covered by its November 2020 advisory opinion." Based on our own review, the November 2020 advisory opinion has created significant confusion, rather than clarity. Accordingly, the CFPB concurs with the GAO's recommendation and intends to issue further clarification in this area.

The Bureau looks forward to continuing to work with GAO as it monitors the Bureau's progress in implementing this recommendation.

Sincerely,

A handwritten signature in cursive script that reads "Rohit Chopra".

Rohit Chopra
Director

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