



CBAI States Concerns About the CFPB’s Open Banking Rulemaking in American Banker Article

CBAI’s concerns about the CFPB’s recent rulemaking were highlighted in an October 4th American Banker article titled *What Banks Need to Know About the CFPB’s Open Banking Rule*.

The wide-ranging article explored Section 1033’s requirement for banks to share their customer experience data with permitted recipients. CBAI expressed concerns with this rulemaking from a number of community bankers in its December 27, 2023, comment letter to the CFPB. [Read Comment Letter »](#)

The following excerpts from the American Banker article include quotes from CBAI:

“The [open banking] movement seems to be driven by profit-making businesses that want to use consumers’ data to sell their products and services,” said David G. Schroeder, senior vice president of federal government relations at the Community Bankers Association of Illinois.

“Community bankers have noticed there is a conspicuous lack of demand for data sharing among their customers,” Schroeder said.

“What happens once customer data is out of the secure and careful control of highly regulated community banks and gets into the hands of businesses that are anxious to use that data is an unanswered question,” said Schroeder. *“Many of these businesses are unlikely to secure that data to the very high standards that community banks are held to by their regulators.”*

“If a business did not secure the data properly, even if they are found to be liable, will those companies be able to fully compensate for the harm they will cause consumers and their community banks?” Schroeder asked.

CBAI sincerely hopes the CFPB will consider the thoughts and incorporate the recommendations contained in our comment letter in their final rule which is anticipated to be released later this fall.