

Senator Steve Wilson
Chair, Senate Financial Institutions & Technology Committee
1 Capitol Square, 1st Floor
Columbus, Ohio 43215
Delivered via email: John.Wells@ohiosenate.gov



November 15, 2021

The Honorable Chair Wilson,

The OBL is the foremost trade association for Ohio's banking industry – and is Ohio's only organization focused on meeting the needs of *all banks and thrifts* in the Buckeye State. The non-profit association is comprised of 170 FDIC-insured financial institutions including commercial banks, savings banks, and savings and loan associations ranging in size from just over \$13 million in assets to over \$3.5 trillion and ***employing over 60,000 Ohioans***.

I am writing to you as an interested party on Senate Bill 249. In a regulatory sandbox, a financial institution or financial technology company can test its product or service within a relaxed regulatory environment for a defined space and duration. States like Arizona, Kentucky, Nevada, Utah, and Wyoming recently enacted legislation to create regulatory sandboxes. The idea is that a significant amount of the innovation in the financial technology space is happening on the coasts and then moving our way. Anything the state can do to help spur some of that innovation to happen here, and preferably either coming from or partnering with Ohio banks, should be pursued.

A regulatory sandbox is also beneficial for the regulators overseeing the operation as they get a firsthand look inside new and cutting-edge technology so that they understand the ever-evolving nature of financial services regulation and can appropriately regulate products and services into the future. Many fintech companies operate in a legal gray area where they do not fit what regulators are traditionally used to overseeing. This can lead to regulatory holes or blind spots where a fintech company or product can slip through the cracks so to speak and not receive appropriate regulatory oversight or customer protection. By utilizing the fintech sandbox, Ohio will be able to exert a certain level of supervision over these companies to learn how to best protect consumers and the state going forward. This is good for all parties and could help to bring some of these companies into the light.

Thank you for taking the time to read our comments on SB 249. Please feel free to contact me if you have any questions regarding our position at dboyd@ohiobankersleague.com or (614) 340-7608.

Sincerely,

Don Boyd
VP, State Government Relations & General Counsel