



**Testimony in Support of Senate Bill 269**  
**Ohio Senate Financial Institutions, Insurance, and Technology Committee**  
October 28, 2025

Good Afternoon, Chairman Wilson, Vice Chair Lang, Ranking Member Craig, and members of the Committee,

My name is Angelena Bradfield, and I am the Head of Policy for the Financial Technology Association (FTA)—an organization representing innovative fintech companies that advocates for the modernization of regulation to support competition, inclusion, and innovation. FTA supports policy efforts that prioritize fit-for-purpose regulatory frameworks that continue to spur innovation while safeguarding consumers.

On behalf of FTA, I thank the Committee for the opportunity to express our enthusiastic support for Senate Bill 269. This legislation ensures necessary regulatory clarity to the application of Ohio’s Small Loan Act and operational continuity for fintechs that provide important financial services to Ohioans in partnership with banks.

Bank-fintech partnerships are subject to a broad array of laws, regulations, and federal banking agency guidance, “including but not limited to, consumer protection requirements (such as fair lending laws and prohibitions against unfair, deceptive, or abusive acts or practices) and those addressing financial crimes (such as fraud and money laundering).”<sup>1</sup> In particular, the Federal Trade Commission Act’s Unfair or Deceptive Acts or Practices (UDAP) prohibitions as well as the Dodd Frank Act’s Unfair, Deceptive, or Abusive Acts or Practices (UDAAP) prohibitions, apply to these partnerships.

Additionally, the federal banking agencies – Federal Deposit Insurance Corporation (FDIC), Federal Reserve Board (FRB), and the Office of the Comptroller of the Currency (OCC) – have direct visibility into these lending partnerships through supervision of the chartered banking entity.

At the end of 2024, the Ohio Division of Financial Institutions (ODFI) issued a surprise alert asserting that “[a]ny nonbank entity that is compensated for arranging or brokering any bank loan in the amount of \$5,000 or less must obtain a license under the **Small Loan Act (SLA)**”. This determination, which runs counter to established legal interpretations of the SLA, would affect the availability of credit options for millions of Ohioans, particularly if it subjects companies, not previously covered by the SLA’s requirements, to its prohibition on loans below \$1,000 or with terms of one year or less. Banks are exempt from the SLA, and any entity, including a non-bank,

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<sup>1</sup> Department of the Treasury, Office of the Comptroller of the Currency, Federal Reserve System, and Federal Deposit Insurance Corporation (2024) *Request for Information on Bank-Fintech Arrangements Involving Banking Products and Services Distributed to Consumers and Businesses*, Federal Register, 89(61577), pp. 61577-61584. Available at: <https://www.federalregister.gov/d/2024-16838/p-31>.

that solicits, arranges, finds, or brokers a loan made by a bank is also exempt - this bill reinforces this interpretation.

Without legislative action, enforcement of ODFI's interpretation will restrict consumer access to low-cost credit, stifle responsible innovation, and hinder the ability of financial technology companies and banks to collaborate effectively. For example, this interpretation directly impacts a majority of BNPL loans, as they are bank-issued, with an average loan size of \$135 and payments over six weeks. **Under ODFI's guidance, because most BNPL loans are (i) less than 12 months and under \$1000 and (ii) made by a bank, through a fintech platform, they would be prohibited. This change could impact millions of Ohioans.**

As drafted, SB 269 would provide a targeted, straightforward solution to provide clarity to the scope of the SLA, reinforcing the long-established interpretation of the SLA and maintaining the current scope of this lending law. If passed, SB 269 would ensure that the people of Ohio do not lose access to important financial services and products.

We thank the Committee for championing innovation and appropriate regulation that provides hard-working Ohioans with access to vital financial services. We strongly urge you to support SB 269 and provide the people of Ohio with the tools they need to support their financial well-being.

Thank you for your consideration of this bill and we look forward to working with you on it.