



Preston L. Kennedy, *Chairman*
Noah W. Wilcox, *Chairman-Elect*
Robert M. Fisher, *Vice Chairman*
Kathryn G. Underwood, *Treasurer*
Alice P. Frazier, *Secretary*
Timothy K. Zimmerman, *Immediate Past Chairman*
Rebeca Romero Rainey, *President and CEO*

Via electronic submission

August 23, 2019

Ms. Jennifer Jones
Counsel
MB-3105
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Information Collection for Generic Clearance for Prize Competition Participation;
OMB Control Number: 3064-NEW

Dear Ms. Jones:

The Independent Community Bankers of America (“ICBA”)¹ writes to express our strong support for the Federal Deposit Insurance Corporation’s (“FDIC”) forthcoming prize competition, as alluded in the Agency Information Collection. ICBA believes that agency-sponsored prize competitions hold the potential to encourage innovation. Already championed by other agencies and in other countries, prize competitions can serve as models similar to sandboxes, but include specific requests or sets of questions raised by regulators seeking proposals that address specific problems.² These prize competitions could ultimately marry a sandbox model with more traditional rulemaking tools, such as an advance notice of proposed rulemaking (“ANPR”) or request for information (“RFI”).³

¹ The Independent Community Bankers of America® creates and promotes an environment where community banks flourish. With more than 52,000 locations nationwide, community banks constitute 99 percent of all banks, employ more than 760,000 Americans and are the only physical banking presence in one in five U.S. counties. Holding more than \$4.9 trillion in assets, \$3.9 trillion in deposits, and \$3.4 trillion in loans to consumers, small businesses and the agricultural community, community banks channel local deposits into the Main Streets and neighborhoods they serve, spurring job creation, fostering innovation and fueling their customers’ dreams in communities throughout America. For more information, visit ICBA’s website at www.icba.org.

² See U.S. Government Accountability Office, *Financial Technology: Additional Steps by Regulators Could Better Protect Consumers and Aid Regulatory Oversight* (Mar. 2018) at 67-69, available at: <https://www.gao.gov/assets/700/690803.pdf> (“GAO Fintech Report”), discussing proofs of concept, innovation competition or awards, and agency-led incubator or accelerator.

³ *Id.*

Background

The FDIC is contemplating to periodically conduct prize competitions and is proposing a new generic collection of information for competition participants. The FDIC seeks comment on the proposed information collection, including whether the collection of information is necessary for the proper performance of the FDIC's functions. The FDIC expects a myriad of stakeholders to respond to and participate in the prize competition, including innovators, technologists, data firms, academics, trade associations and community banks, among others.

The FDIC estimates that it will conduct up to five competitions over a three-year period. It also anticipates that competitions will be of various types and topics, including point solution competitions (designed to spur the development of solutions for a particular problem) and exposition (designed competitions to identify and promote a broad range of ideas and practices to facilitate further development by third parties).

Possible competition topics include solving challenges with underserved communities and financial inclusion; consumer protection; the FDIC's use of information technology and data (including artificial intelligence and machine learning); and financial and technologically-driven innovation in banking.

ICBA Comments

Overall, ICBA is pleased that the FDIC is introducing this prize competition. It is a novel idea that can lay a foundation for innovation that promotes community banks and reduces compliance burdens. ICBA welcomes FDIC's leadership and foresight in pursuing this idea.

ICBA believes that these competitions can help promote technological development at community banks with limited research and development funding. Indeed, our own efforts in helping community banks partner with fintechs have led us to believe that more involvement from regulators is necessary.

For example, ICBA found that federal agency participation in the ICBA ThinkTECH Accelerator,⁴ a community bank-focused program that facilitates community banks directly engaging and partnering with early stage fintech companies, proved to be invaluable to the development and maturation of bank-enabling fintech.

⁴ See ICBA ThinkTECH, at <https://www.icba.org/solutions/thinktech>.

ICBA is optimistic that prize competitions like the one described in the information collection will place FDIC at the forefront of technological changes by actively participating in and monitoring new developments, while simultaneously providing a forum where community banks and other stakeholders can share feedback.

Please do not hesitate to contact me at michael.emancipator@icba.org with any questions.

Sincerely,

/s/

Michael Emancipator
Vice President and Regulatory Counsel