OCC Responsible Innovation Initiative
Financial Services Landscape - Customers

• Demographic changes
  ➢ 85 million millennials
  ➢ 29 million small businesses
  ➢ 67 million under and unbanked adults

• Consumer & small business focus on:
  ➢ Speed
  ➢ Consistency
  ➢ Customization

• Preferences evolving toward digital and mobile

• Increased willingness to use multiple entities for financial needs
Community Bank Responses

- Partnerships
- Reliance on Core Providers
- Investors in Fintechs and Innovation Initiatives
- Labs/Incubators
- Watch/Follow
**Responsible Innovation** is the use of new or improved financial products, services, and processes to meet the evolving needs of consumers, businesses, and communities in a manner that is consistent with sound risk management and is aligned with the bank’s overall business strategy.
• Central point of contact and clearinghouse to facilitate responses to inquiries and requests on innovation-related matters

• Enhances the OCC’s ability to identify, understand, and respond to emerging trends and related risks in the financial services industry

• Provides an open forum to discuss regulatory principles, processes, and expectations
The Office of Innovation (OI) is led by a Chief Innovation Officer (CINO). Permanent staff also includes Innovation Officers located in New York, San Francisco, and Washington, D.C.

The CINO is advised by a Responsible Innovation Committee (RIC). The RIC is composed of Deputy Comptrollers from various divisions within the OCC.

The OI is also developing a Fellowship program to bring in expertise from the private sector.
Types of Partnerships

- Vendors
- White Label
- Referral
- Sponsorship Model
• Digital/Mobile Banking
• Marketplace Lending
• Deposit Gathering
• Banking as a Platform
• Artificial Intelligence/Machine Learning
• “RegTech”
Contacting the Office of Innovation

When should I contact the Office of Innovation?

• If you have questions about partnering with a fintech or a bank
• If you are considering offering an innovative product or service
• If you have questions about innovation topics or emerging industry trends

How can I contact the Office of Innovation?

• Banks may go through your assigned Portfolio Manager or EIC/ADC
• Go to the Responsible Innovation webpage on occ.gov
• E-mail directly

How can the Office of Innovation help me?

• Provide candid information on financial services innovation
• Assist in understanding what questions to ask and what issues to consider
• Provide success stories and lessons learned

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