

**From:** [Patty Gelbrich](#)  
**To:** [Comments](#)  
**Subject:** [EXTERNAL MESSAGE] RIN 3064-ZA43- Bank-Fintech Arrangements Involving Banking Products and Services Distributed to Consumers and Businesses; Comment Request (RIN 3064-ZA43)  
**Date:** Saturday, September 28, 2024 10:47:54 AM

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**Subject: Public Comment on FDIC RIN 3064-ZA43: Bank-Fintech Arrangements**

I am writing to submit a comment on the FDIC's proposed rule concerning bank-fintech arrangements, specifically RIN 3064-ZA43. I have been directly impacted by the collapse of Synapse Financial, a fintech service provider that partnered with FDIC-insured banks. Since May 2024, my funds through Fintech Yotta, have been frozen due to issues involving Synapse, Evolve Bank & Trust, and other fintech platforms. The lack of clear oversight and accountability between these entities has left myself and approximately 200,000 others without access to our funds for months.

While fintech companies often advertise FDIC insurance, consumers like me were unaware that the protections only applied to the bank and not the intermediary fintech service provider. The complex web of third-party relationships and lack of transparency have caused significant financial distress, with fintechs and banks deflecting responsibility.

I understand that the current proposed rule may not fully address the situation in which I and others find ourselves. Specifically, it has come to my attention that broker-dealers, like Synapse, are exempt from this proposal. Since Synapse was a broker-dealer, these new regulations would not have provided protection to us as consumers. This is a critical oversight, and I urge the FDIC to reconsider this exemption, given the potential risk it poses to consumers who use fintechs like Synapse for banking services.

Furthermore, I believe it is essential that all banks, whether they are handling their own accounts or fintech accounts, are required to reconcile these accounts daily. This ongoing reconciliation would prevent the kind of ledger discrepancies that contributed to the current crisis. If a bank does not have the manpower or infrastructure to handle fintech accounts, they should not take on fintechs as customers. The safety and security of consumer funds must be a top priority.

I strongly urge the FDIC to implement stricter rules governing the relationships between banks and fintechs, ensuring that consumers are adequately protected when funds are handled by third parties like Synapse. Specifically, the rules should:

1. Mandate clearer, simpler disclosures about which entity holds customer funds and under what conditions FDIC insurance applies.
2. Require fintechs to demonstrate stronger financial oversight and maintain a clearer reconciliation process between fintechs and their banking partners requiring daily reconciliation by banking partners.
3. Remove exemptions for broker-dealers from the proposed regulations, as the risks they pose to consumers are significant.
4. Establish protocols for immediate consumer redress in situations where intermediary fintechs go bankrupt or experience technical failures.

My experience has shown that current consumer protections are insufficient in these arrangements, and I hope the FDIC will take this opportunity to implement stronger safeguards for consumers caught in these precarious situations.

Thank you for considering this comment.

Sincerely,

Patricia Gelbrich