
The Consumer Finance Podcast: Meet Troutman Pepper's Bank Regulatory Team**Host: Chris Willis****Guests: Kevin Petrasic, Matthew Bornfreund, Alexandra Barrage, and Helen Lee****Date Aired: June 13, 2024****Chris Willis:**

Welcome to *The Consumer Finance Podcast*. I'm Chris Willis, the co-leader of Troutman Pepper's Consumer Financial Services Regulatory Practice. Today, I'm going to have the pleasure of introducing you to our bank regulatory team here at Troutman. But before I get to do that, let me remind you to visit and subscribe to our blogs, [TroutmanPepperFinancialServices.com](https://www.troutmanpepper.com/financial-services-law-monitor) and [ConsumerFinancialServicesLawMonitor.com](https://www.consumerfinancialserviceslawmonitor.com). Don't forget about our other great podcasts. We have the [FCRA Focus](#), all about credit reporting, [The Crypto Exchange](#), which is all about crypto, we have [Unauthorized Access](#), which is our privacy and data security podcast, and our newest podcast, [Payments Pros](#), all about the payments industry. All those podcasts are available on all popular podcast platforms.

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Now as I said, today I have a real pleasure, because one of the things that we strive for here at Troutman Pepper is to be able to serve all the legal needs of our financial institution clients. I personally, as you all know, I'm a consumer finance lawyer. I don't really know anything about bank regulation that's not consumer facing. But fortunately, we have a great team of lawyers who know all about it. I'm here today to introduce you to them and let you know what they can do for you.

Here with me on the podcast are my four colleagues, Kevin Petrasic, Matthew Bornfreund, Alexandra Barrage, and Helen Lee. I'm going to be introducing them to you through this podcast, and I appreciate the opportunity to do that. Kevin, let me just start with you. Tell me a little bit about your bank regulatory team.

Kevin Petrasic:

Well, actually, it's one of my favorite questions these days. I would say, not to overuse superlatives, but I do think this is one of the best bank regulatory groups in the country. I've worked with each of the colleagues for a number of years. They're all outstanding. Helen and I worked together for more than 10 years before she went into in-house for a couple of years. Matt and I worked for a couple of years at another firm, and then I coaxed him back to the firm that he and I were at previous to this firm, and then he led the way over to Troutman. Alex and I

worked together for about three years. Alex has a fantastic background, including a number of years of experience at the FDIC that have been tremendously valuable to our clients.

I would say, all in all, the addition of what I view as the dream team, bank regulatory dream team, I hope people don't quote me on that, I do feel that way. Adding ourselves to an already very stacked program with respect to bank regulatory attorneys that there's already a strong bank regulatory presence. Then, of course, Chris, with the addition of with us adding to your practice and the consumer financial services space, I don't think there are any firms in the country that really have that broad of a practice as we do.

Chris Willis:

Well, I agree. That was the whole idea. We're very glad that you're here and I'm very happy to have the opportunity to introduce you. Do you mind saying a few words, Kevin, about your particular areas of experience and expertise? In other words, what should a client call you if they need?

Kevin Petrasic:

Sure. As I think about that, a lot of my experience is anchored by 21 years and working for the Treasury Department's offices at Thrift Supervision, and actually prior to that, the Federal Home Loan Bank Board, which became the OTS in 1989. My first experience at the agency was going through the thrift crisis from 1986 to about 1989. Then resolution of the thrift crisis, which extended into about 1992. I have a lot of supervisory and enforcement experience, a lot of application experience that was the result of that experience, working through the thrift crisis. Then subsequently, I spent the next half of my government career on the policy side, including Director of Congressional Affairs and as well as the Managing Director of External Affairs.

I have a pretty broad background in the context of bank regulatory. The areas that I cover include, of course, core bank regulatory, supervisory and enforcement. We do a lot of work with non-US banks. In fact, we probably have at the moment, more non-US bank work than domestic bank work as a result of some clients that have followed us over from other firms that we were at previously. BSA/AML work, and I'm the weak link here, but fintech payments is certainly a strong suit of this group.

Chris Willis:

Okay. Thanks a lot, Kevin. Let me introduce the other members of the team, because I'm really excited to get to all of you. Matt, do you mind taking over now and telling the audience a little bit about your background and also, about the areas that you specialize in?

Matthew Bornfreund:

Sure. Thanks, Chris. Yeah, I guess, I'm an odd duck in that I went to law school knowing that I wanted to do bank regulatory work. I went to law school after the financial crisis of 2008, 2010 and wanted to work at the Federal Reserve. That was actually the reason I went to law school, and that is where I ended up working. I've worked for three years at the Federal Reserve, their

legal division, working on bank applications and bank regulation. Then it was Kevin who actually hired me out of the Fed. That's why I left Federal Reserve and went in to private practice.

I basically help with all things banks dealing with their primary federal regulators. That's FDIC, OCC and the Fed. It couldn't go anywhere from starting a new bank and the first time you're submitting an application to permissible activities, getting permission to engage certain activities. As you know, Chris, pretty much everything a bank does, they need to verify that there is some specific authorization to engage in that activity and the answers aren't always clear. Sometimes that requires contact with the regulators.

Then outside of my work that's directly for the banks, I also help with banks' connections to various payment systems. Banks dealing with check clearing system with the Federal Reserve, NACHA issues, wire issues, and sponsorship into the card networks are all things that I've helped banks do.

Chris Willis:

That all sounds incredibly, practically significant to our set of clients. Alex, let me turn to you now. Kevin mentioned that you had an incredibly impressive resume with, which of course I agree, but I'm itching to let you tell the audience about that now. Tell the audience about your background, because I think you're going to wow everybody who's listening to this right now.

Alexandra Barrage:

Well, that's quite a setup. But thank you. I'll do my best. Look, I was in the government at the FDIC for almost eight years of my career. Before that, I was a restructuring attorney. My career has really morphed, and it's morphed because I've been really super interested in areas outside of my lane. My client base, I think, is reflective of the broad interests I have, both within bank regulatory and on the tech side. My practice straddles core bank reg work, whether it's broker deposit question, or pass their treatment question under FDIC rules, to permissible activities, Matt and I have worked on a number of those issues for some big lenders. To resolution planning, which is what I did when I was at the FDIC, working closely with the Fed.

A lot of my clients are non-banks, smaller fintechs, all the way up to the largest cloud providers. That's been a great way to see the market and to see the connection points, again, as Matt mentioned, between the entities that either service banks on a broad basis, or the entities that need banks to plug in and to grow their business. It's just really fascinating looking back how much the digitization of banking has impacted both banks and non-banks. Those are the issues that I'm really interested in following.

Chris Willis:

Alex, it's a great point that you raise, because we live in an era where there's so many bank fintech partnerships, both with respect to deposit and lending type products, as well as others. There's a huge need for bank regulatory expertise on both sides of that equation. Don't you agree?

Alexandra Barrage:

I agree. I think that's why the platform here was so attractive to us, because the firm has quite a large base of banking clients of all sizes, as well as a very significant base of clients who are tech companies. Personally, that was quite attractive to me, because that's how I want to grow my practice and our practice together. That's what stood out. I still agree that a little gray here in this town can make a big difference.

Therefore, it's the wisdom that you gain working in these agencies and seeing how decisions are made from the inside is invaluable. Some of that seems obvious to us, because we've lived it, but it's not obvious to people who haven't had that experience. I feel lucky to be here. I'm looking forward to what comes next.

Matthew Bornfreund:

Yeah, just to add to what Alex said, between Kevin, Alex and myself, we represent experience at three different banking agencies. Between the three of us, we have a lot of years in Washington, D.C. That insight's helpful sometimes, because people who are running their banks across the country don't really have that view. It's something that our various experiences can be helpful with.

Chris Willis:

I agree. It's an incredible resource that you offer to clients who come to you for advice on these things. Helen, you haven't been part of this conversation yet and I really want to get you involved as well. You have a very special background as well as some very interesting areas of expertise. Do you mind telling us about that?

Helen Lee:

Of course. Thank you, Chris. Thank you for having us on today. I started out my career in the heyday of the financial crisis in 2008, which is actually when I met Kevin. I started in the bank regulatory group of another firm, an international firm. I really learned banking law through trial by fire. I remember two weeks after I started as a first-year associate, Lehman declared bankruptcy. It was just chaos from pretty much day one. I really learned banking law, the entire lifecycle of a bank really starting backwards, right? Because during the financial crisis, there were a lot of banks in trouble. We dealt with a lot of bank failures and enforcement issues.

Then throughout the years as the economy got better and banks started innovating again, I started working on bank charters and new activities applications. During these past 16 years, I've really worked on the whole gamut of lifecycle issues for banks, starting from that start of life of a bank, in the chartering phase, all the way to the end of life, everything in between, all the safety and soundness issues that come up on a day-to-day basis.

In 2015, I actually changed to another international law firm. That's when the law firm seconded me over to Facebook to work on their payments product. I worked on the commercial contracts that Facebook had with its payments partners. After that secondment, pretty much back-to-

back, I also went over to WhatsApp, which is a Facebook affiliate. I worked on the payments product, the international payments product for WhatsApp there. That really opened my eyes to fintech issues, some of the challenges they face in terms of not being banks themselves, but really needing to rely on banks to offer their own products.

After ending the secondments with Facebook and WhatsApp, I actually decided that that was a good time for me to make the job in-house. I left the law firm and I joined Alipay, which is now known as AUS Merchant Services in the United States, but it's the United States subsidiary of Ant Group. Ant Group is a China-based entity. It's a related company of Alibaba.

Through my role at Alipay, I learned a lot. I stayed there for three and a half years. I eventually became the head of legal for the Americas region. It was a very exciting, interesting experience to be on the inside and really working with the regulators, with other stakeholders, and working through challenging fintech issues. My practice really spans the gamut of working on both sides for banks and fintechs and on well-versed and identifying and advocating for the interests of these both types of financial services companies.

Alexandra Barrage:

I think one of the things that Helen has pointed out is across the four of us, we've got the three pillars. We've got the government experience, the private practice experience, and the in-house experience. We're very grateful for all of Helen's in-house experience, because we often find that when we're talking to product council, if we have someone on that call that knows what that product council is dealing with, because that person has been in a similar position, even if it may have been at a different company, that's automatically some credibility that we can offer that may be hard to replicate. Having those three, what I'll call the three pillars is, I think, in many ways our secret weapon, and I'm very proud of it.

Matthew Bornfreund:

I'm sorry, Chris. Just had one additional thought to Alex's and what Helen was highlighting. As Alex highlighted, we have incredible experience from the government side, from the private sector side. We also have an incredible amount of breadth between the four of us in terms of areas of coverage in terms of bank regulatory. I think there are probably few gaps in all of the banking laws that at least one of us has not explored at some point during our career. Not to put too fine a point on it, that's us adding ourselves to an already very strong bank regulatory practice that Troutman had before we got here.

Chris Willis:

Got it. Well, Alex mentioned the word grateful, which is the word that overridingly comes into my mind about how I feel about the four of you being here. Because at Troutman, we see an incredible future ahead for our collaboration with the four of you. I'd love to get your view of that as well. I mean, Kevin, what do you think the future holds in terms of our ability to work together for our financial services clients?

Kevin Petrasic:

Well, it's a great, great question, Chris. I've actually been at this three other times, three other prior practices, law firms that I worked at. The first one right out of government in 2008, when Helen and I first met. I was there for about seven years. We started more or less from scratch to build a practice, and were pretty successful doing that. My next stop was with another firm, a big Wall Street firm, and I was hired to be the global head of financial institutions advisory practice there. That did not go quite as well as hoped, in part because of the types of challenges and the unique types of clients that we deal with both from, as Alex highlighted a few moments ago, both from the non-bank side, as well as the depository institution side.

We have a unique perspective that we have been able to provide to most of our clients in the context of understanding not only where they're coming from, but understanding, oftentimes, where their counterparty is coming from. Fast-forwarding to where we are now, I've been trying to build a practice. The firm that Matt and I came from, and Alex came from most recently has a very strong financial services practice, but nowhere near the depth that we have right now, in the context of not only us four, but in the larger picture, as far as your practice, Chris, the transactional practice that the firm has, it's really a tremendous and unique opportunity and Alex's word, grateful. We are grateful to be here.

Matthew Bornfreund:

There are definitely skilled attorneys here who do a lot of what we do, right? There are definitely other practitioners who haven't been on your podcast yet, and that touch on pieces. One of the difficult things about bank regulatory work is that it is so broad. Kevin mentioned the breadth of our practice, the coverage that we have, and it's necessary. One of the other things that Kevin and I do is we actually teach law school and we teach banking law. One of the things we tell our students on the first day of class is that as bank regulatory attorneys, you have to know essentially all of Title 12 of the USC, which is a tremendous amount of law that you need to know.

The difference that this team makes here now at Troutman is whereas, you have people at Troutman that do bits and pieces of what we do, but now the four of us are really focusing on bank regulatory work as our primary focus, feeding into the rest of the practice areas. While this is not necessarily brand-new ground for Troutman, it is now a place for bank regulatory work to put front and center, and so when those really difficult, really complicated, really large questions come in, we have the expertise to handle it in addition to all the other fantastic work that Troutman has already been able to do.

Kevin Petrasic:

If I could add one thing to what Matt just highlighted, I've worked with a client, a big large savings loan holding company, or bank holding company that has a significant securities affiliate. I don't want to say the name, because I don't have permission to, but the general counsel there, who I've known for many years, always has impressed upon me the importance for an organization like that for a large G-SIB to be able to go to a firm that has bench strength, and I think that's what we have. We have tremendous amount of bench strength. Not just us four, but your group, Chris, the colleagues that have been doing transactional and bank

regulatory work before we ever got here. The bench strength that the Troutman has in the financial services space is really remarkable.

Chris Willis:

Well, and it's only getting better with the addition of you four. I'm looking forward not only to working with the four of you in the coming years, but also continuing to show our listeners and the market about the incredible breadth of practice that we have here at Troutman Pepper. To me, it's all part of our strategic plan to build the capability to do everything for a financial services company. That's one of the reasons I'm so happy to have the four of you here, which is banks have these issues and fintechs do too, and having the background and expertise to handle them allows us to serve all their needs, whether it's on the bank regulatory, the transactional compliance regulatory, investigations, all of that, and even litigation, we can do all of it for them.

That's our goal at Troutman Pepper is to build that one stop shop. Our new bank regulatory colleagues who you've met on today's episode of the podcast are at an incredibly important part of that. Thank you all for being on the podcast today. But more than that, thank you for being here at the firm with us.

Kevin Petrasic:

Thanks, Chris.

Helen Lee

: Thank you, Chris.

Alexandra Barrage:

Thank you.

Chris Willis:

Of course, thank you to our audience for listening to today's episode as well. Don't forget to visit and subscribe to our blogs, [TroutmanPepperFinancialServices.com](https://www.troutmanpepper.com/financial-services) and [ConsumerFinancialServicesLawMonitor.com](https://www.troutmanpepper.com/consumer-financial-services-law-monitor). While you're at it, why not head on over to [Troutman.com](https://www.troutman.com) and add yourself to our consumer financial services email list? That way, we will be able to send you copies of the alerts and advisories that we like to send out and invite you to our industry-only webinars that we put on from time to time.

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