

COMPASS PRINCIPLES

Guiding Excellence in Financial Services

THE CHALLENGE

The recent financial crisis highlighted significant challenges for the financial services industry:

1. **More than 60 million consumers are currently not well served by the U.S. financial services industry.** They lack accessible, affordable products and services to manage their money in the short term while building assets over the longer term.
2. **A changing regulatory environment** is reshaping the financial services landscape.
3. Customers, employees, the media, and regulators all express real **concerns about the value delivered by financial services providers.**

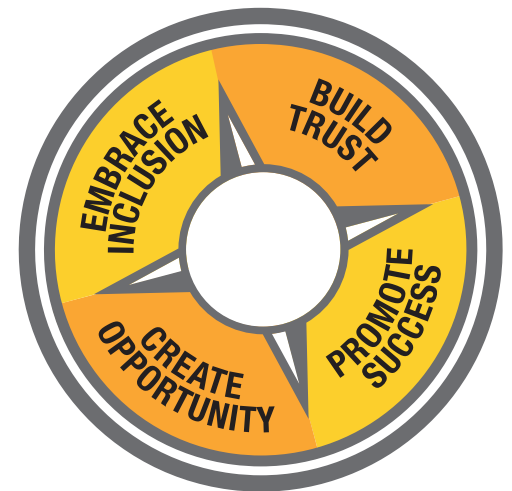
THE RESPONSE

To help the industry **take the lead in addressing these challenges and build trust with the public**, the Center for Financial Services Innovation, in partnership with a cross-section of industry participants, created the **Compass Principles**. These aspirational guidelines set forth a proactive role for the industry, defining how the industry can work toward a vision for the future in which financial services are safe and **actively contribute to improving people's lives.**

FOUNDATIONAL VALUES

The Compass Principles reflect six core values:

1. Financial services must be **profitable and scalable** from a business standpoint.
2. Financial innovations must be based on **deep customer knowledge.**
3. **Safety** is fundamental. The Principles support and build upon consumer protection law and regulations.
4. There is value in **variation and choice.** One size does not fit all.
5. Long-term consumer-provider **relationships** must be built on mutual success.
6. **Cross-sector participation** encourages trust. Everyone in the industry has a crucial role to play.



THE COMPASS PRINCIPLES

The Principles are aspirational and practical, with guidance for implementation:

1. **Embrace Inclusion:** Responsibly expand access.
2. **Build Trust:** Develop mutually beneficial products that deliver clear and consistent value.
3. **Promote Success:** Drive positive consumer behavior through smart design and communication.
4. **Create Opportunity:** Provide options for upward mobility.

LEARN MORE

Explore our website at www.compassprinciples.com or contact Beth Brockland bbrockland@cfsinnovation.com.