

August 24, 2026

Via Electronic Delivery

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604

Re: Response to Comment from Horace Peoples Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. (“**OppFi**”) appreciates the opportunity to respond to the letter filed by Mr. Horace Peoples concerning the applications submitted on June 27, 2026 (the “**Applications**”) to the Board of Governors of the Federal Reserve System and Federal Reserve Bank of Chicago, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (“**FDIC**”) to acquire BNCCORP, INC. (“**BNCCORP**”), and indirectly, BNCCORP’s wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the “**Acquisition**”). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association, and the combination of OppFi’s business with the business of BNC National Bank.

OppFi prides itself on facilitating loan products that help customers manage everyday financial needs and which help consumers build their credit history. For consumers excluded from traditional credit, OppFi’s products offer a transparent, simple, and more affordable alternative to payday lenders, pawn shops, and tribal lenders. OppFi complies, and it and its affiliates following the Acquisition will continue to comply, with applicable laws regarding interest rates and consumer protection. Please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi’s approach to compliance and the offering of its products.

Ultimately, the FDIC must evaluate the Application under the statutory criteria established by Congress. OppFi has provided substantial information to the FDIC and to the public as part of the Application, demonstrating that the Acquisition satisfies the applicable statutory criteria. Moreover, we respectfully submit that the written submissions provided during the initial comment period are sufficient for FDIC to assess the Application in light of the applicable statutory criteria.

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

Todd Schwartz
Chief Executive Officer

/s/ Marv Gurevich

Marv Gurevich
General Counsel

cc: Distribution List

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APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

The Vital Role Played by Operators like OppFi to Fill Gaps in the Financial Landscape and Ensure Banking Access for All Americans

July 2026

This FAQ compiles publicly available research, government data, and OppFi's own reported metrics to answer common questions about the economics of small-dollar lending, the effects of state interest rate caps, and OppFi's pending application to become a bank holding company through its proposed acquisition of BNC National Bank.

What is OppFi, and what is its mission?

OppFi is a tech-enabled digital finance platform that partners with banks to offer financial products and services to everyday Americans. Established in 2012 by CEO and Founder Todd Schwartz, OppFi has facilitated over 9 billion dollars in credit to over 1.7 million customers. OppFi's mission is to facilitate safe, simple, and more affordable credit access to the 48 million Americans who currently lack traditional options while rebuilding their financial health.

The Economics of Small-Dollar Credit

Why do small-dollar loans carry higher APRs than larger, longer-term loans?

The fixed costs of underwriting, originating, servicing, and collecting a loan do not scale down with the size of the loan. Federal Reserve Board research (Chen and Elliehausen, 2020) finds that when these largely fixed costs are spread over a small principal balance, the resulting annual percentage rate rises accordingly. The study estimates a break-even APR of approximately 103.5% for a \$594 installment loan — the rate required to cover underwriting, compliance, servicing, and expected credit losses, with no profit margin built in. This is due to the low dollar amount and the short term of the loan. JPMorgan Chase CEO Jamie Dimon has made the same point about the broader banking industry, stating it is “impossible to do loans like that and make a profit” if rates are capped at 36%.

Is APR an appropriate way to measure the cost of a short-term, small-dollar loan?

The Truth in Lending Act's APR disclosure was built primarily around loans repaid over a year or more, such as mortgages and auto loans. Federal Reserve Board economists Thomas Durkin and Gregory Elliehausen observed in a 2013 paper that while TILA's uniform APR disclosure clarified costs for complex, long-duration credit, it has “complicated disclosures” for simple, short-term products. The Consumer Financial Protection Bureau's own 2021 Taskforce on Federal Consumer Financial Law reached a similar conclusion, noting that a lower APR is not automatically the better deal once duration and total dollar cost are taken into account.

What happens to credit access when a state imposes an interest rate cap on small-dollar loans?

Illinois offers a recent, measured example. When the state imposed a 36% all-in APR cap in March 2021, researchers found that loans to subprime borrowers in Illinois fell 44% within a year of the cap taking effect, while the average loan size to remaining subprime borrowers rose 40% (Bolen, Elliehausen & Miller, 2022). This reduction in credit access produces a clear negative impact on financial health outcomes: in a survey of affected borrowers, 39% reported that their financial well-being had declined since the cap, versus 11% who reported improvement, and 79% said they would like the option to return to their previous lender.

Do banks and credit unions currently serve this segment of borrowers?

Rarely. Banks and credit unions have largely exited small-dollar lending because the fixed costs of underwriting and servicing a small loan make it unprofitable at the rates most proposals contemplate (Servon, 2017). The Federal Reserve Bank of New York study cited above found that when the riskiest borrowers lost access to small-dollar credit under a rate cap, they did not shift to banks or credit unions — even though those institutions were explicitly exempt from the caps. In fact, 40% of OppFi’s own customers hold a checking or savings account at a large national bank or a credit union — institutions that already hold their deposits — and still seek installment credit elsewhere.

If small-dollar lending isn’t available through a regulated channel due to rate caps, does the underlying need for credit disappear?

No. An estimated 48 million Americans live in underbanked households and periodically need credit outside conventional bank underwriting models (FDIC, 2023 National Survey of Unbanked and Underbanked Households). When regulated lenders exit a market because a rate cap makes the product unprofitable to offer, that demand does not go away — it shifts to less-regulated or unregulated alternatives, including payday lenders, tribal lenders, and offshore online lenders operating with less examination, less transparency, and fewer consumer protections than a chartered, supervised bank.

OppFi’s Product and Consumer Protections

How does OppFi make sure a customer isn’t paying more than necessary?

OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. In 2025, TurnUp matched 14.5% of total eligible applicants with a potential partner offer, but just 1.2% of eligible applicants ultimately qualified after applying and accepted a lower-rate loan through the program (OppFi 2025 Social Impact Report). The remaining 98.8% did not have a lower-cost option available to them within that partner network, demonstrating the need for loans facilitated by OppFi.

What does an OppFi loan cost beyond interest?

OppFi never charges any application fees, origination fees, late fees, NSF fees, or prepayment penalties. Loans facilitated by OppFi are transparent, amortizing, and with no balloon payments.

What happens if a borrower experiences hardship and can’t make a payment?

OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. For example, in 2025, over 26,000 customers enrolled in a hardship program, and 55% of them have repaid their loans.

Does refinancing trap a customer in a cycle of debt?

No, in fact, refinancing is responsible and enables borrowers to lower costs and manage their payments and the amount of debt they take on. For example, a 10-month loan with three refinances would enable a customer to borrow 65% more at a total cost 43% lower relative to a single 24-month loan with the same payments. OppFi verifies the borrower’s good standing and ability to repay prior to facilitating every refinance. No borrower can refinance if they are not paying their current loan, and they can never have more than one loan at a time. A refinance counter is also visible in the customer portal, showing borrowers exactly how many incremental dollars they are receiving, keeping them informed of their options.

Does an OppFi loan help build a customer’s credit over time?

OppFi reports all borrower payments to all three major credit bureaus. OppFi also provides free access to the Zogo financial literacy app and partners with SpringFour to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025 (OppFi 2025 Social Impact Report).

How do customers rate their experience with OppFi?

OppFi has earned a 74 Net Promoter Score from customers so far in 2026, one of the leading figures in the financial industry. Servicing consistently measures highly with a CSAT score above 90%, and OppFi

maintains a 4.7 star average on over 12,000 reviews on Google and a 4.4 star average on over 5,000 reviews on TrustPilot.

Reading the Loss Data Correctly

Why do OppFi's charge-off rates look different depending on the source?

The variance in OppFi's reported charge-off rates depends on whether the figure represents a lifetime metric or an annualized metric. The lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for OppFi, indicating that 75% to 80% of **loans** are fully repaid. This is the more important charge-off metric for understanding overall repayment rates for individual loans.

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or $\frac{1}{3}$ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

Is the loan product itself new, or has OppFi been making these loans for years?

OppFi has facilitated the origination of this same installment loan product for 14 years and has helped serve more than 1.7 million customers. The pending application to acquire BNC National Bank does not create a new lending product; it changes the regulatory structure under which an already-operating business would continue.

Would OppFi be more or less regulated as a bank holding company?

More. Approval would subject OppFi to Federal Reserve oversight of the holding company, OCC examination of the national bank subsidiary, FDIC-insured depository standards, full Community Reinvestment Act evaluation and public rating, and the capital, liquidity, and other prudential requirements that apply to chartered banks but do not apply in the same way to OppFi's current non-bank lending structure.

Are OppFi's bank-partnership lending arrangements legally valid?

In May 2026, a California state court reviewed OppFi's bank-partnership arrangements and found that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards. The court applied the long-standing "valid-when-made" doctrine, under which a loan that is not usurious when originated by a validly chartered bank does not become usurious through a later sale or transfer. With that said, OppFi would not need to maintain these bank-partnership arrangements with a national bank charter, which would clarify and simplify its regulatory structure and oversight.

Does small-dollar lending count toward community reinvestment obligations?

The Community Reinvestment Act requires evaluation of whether a bank meets the credit needs of the communities it serves, including low- and moderate-income communities. OppFi's customer base includes many borrowers who have already been turned away by conventional underwriting models. If OppFi conducted business through a national bank, that bank's lending and community development activities would be subject to formal CRA examination and assigned a public rating — a level of accountability that does not apply under its current non-bank structure.

How does this merger benefit customers?

Combining with BNC Bank will expand OppFi's ability to deliver a comprehensive suite of financial products in more states, including Small Business Administration (SBA) lending, secured consumer lending, and wealth management. Access to BNC's stable, low-cost deposit base will provide diversified funding opportunities and lower funding costs, which we expect will be reflected in lower prices for

customers over time. Leveraging OppFi's machine learning and analytics will allow BNC to serve more individuals and communities with convenient, transparent banking services. This merger will maximize the strengths of two mission-aligned companies to expand financial inclusion for underserved Americans and small businesses.

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Christopher Koopmans
Senior Vice President
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Federal Reserve Bank of Chicago
230 South LaSalle Street
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Re: Response to Comment from Creating Assets, Savings, and Hope Campaign of Maryland Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. ("**OppFi**") appreciates the opportunity to respond to the letter filed by Ms. Robin McKinney of Creating Assets, Savings and Hope Campaign of Maryland, concerning the applications submitted on June 27, 2026 (the "**Applications**") to the Board of Governors of the Federal Reserve System ("**Board**") and Federal Reserve Bank of Chicago ("**Reserve Bank**," and together with the Board, the "**Federal Reserve**"), the Office of the Comptroller of the Currency ("**OCC**"), and the Federal Deposit Insurance Corporation ("**FDIC**," and together with the Federal Reserve and OCC, the "**Agencies**") to acquire BNCCORP, INC. ("**BNCCORP**"), and indirectly, BNCCORP's wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the "**Acquisition**"). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association ("**OppFi Bank**"), and the combination of OppFi's business with the business of BNC National Bank.

OppFi Bank will offer both traditional banking services through a branch-based model, as well as loan products serving a range of customers, many of whom are underserved by the banking industry. The Acquisition satisfies the statutory criteria required to be applied by the Agencies under the Bank Holding Company Act and/or the Bank Merger Act, as applicable, and the corresponding implementing regulations of the Agencies. Further, OppFi has a strong culture of legal compliance, and seeks to satisfy all applicable legal requirements across its business. The sections that follow in this letter respond to key points raised in Creating Assets, Savings and Hope Campaign of Maryland's comment on the Applications.

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III explains that OppFi prioritizes positive customer outcomes and the responsible resolution of regulatory matters. Part IV demonstrates that approving the Applications would not negatively impact vulnerable groups.

Part V explains that, given the substantial information provided by the Applications and the comment process, additional procedural accommodations are unnecessary. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

I. OppFi's mission is to facilitate transparent, simple, and more affordable credit access to Americans who lack traditional options.

Banks and credit unions have moved away from serving the 48+ million consumers with damaged credit. As a result, most individuals with damaged credit are often left without traditional options when they need access to credit. OppFi facilitates loans for these borrowers, in a way that is transparent, simple, and more affordable than other non-traditional credit alternatives. The short-term, small-dollar loan products that OppFi facilitates are underwritten by OppFi's bank partners to ensure the ability of borrowers to repay in a timely fashion.

OppFi prides itself on facilitating loan products that help customers manage everyday financial needs and which help consumers build their credit history. Unlike other short-term, small dollar loan products, OppFi does not impose application fees, origination fees, late fees, non-sufficient funds ("NSF") fees, or prepayment penalties. The loans OppFi facilitates are transparent, amortizing, and do not carry balloon (or similar) payments. OppFi seeks to ensure that these terms are relatively simple to understand. In the absence of loan products like those facilitated by OppFi, consumers would be forced to turn to alternatives such as payday lenders, pawn shops, and tribal lenders. These providers charge extremely high interest rates, generally more than twice the rates that OppFi loans offer, impose exorbitant fees and penalties, and offer opaque terms.

The interest rates charged on the loans that OppFi facilitates reflect the fixed costs of underwriting, compliance, and servicing for such loans, and are calibrated to the repayment risk associated with such products. Importantly, these fixed costs reflect the underlying operations necessary to engage in this business, and do not scale down with the size of the loan. As a result, the interest rates associated with these loans (measured as a standardized annual percentage rate ("APR")) may be higher than those offered by banks and credit unions for conventional loan products. However, a loan product that has a higher APR is not inherently "unfair" or "predatory," nor is it inherently undesirable for a consumer who is unable to obtain needed credit from traditional sources. As comment letters submitted by OppFi customers to the OCC indicate, the loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.¹

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("PLPA"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant

¹ See, e.g., Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Softcheck Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0005>, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Davis Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0008>.

negative consequences for nonprime borrowers.² Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, “including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off.”³ This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.⁴ This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

When working Americans facing short-term financial hardships are unable to obtain credit from a traditional bank or credit union, their challenges do not simply go away. Without credit, a person may face serious financial consequences, such as the loss of a car, job, or home, and related emotional and personal distress. OppFi’s products are often a bridge that help people make it through those life challenges more fairly, transparently, and affordably than realistic alternatives. To compare OppFi’s products to conventional alternatives that are often unavailable to OppFi’s borrowers, while willfully ignoring the alternative products that are available, does not serve the interests of everyday working Americans.

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides free access to the Zogo financial literacy app⁵ and partners with SpringFour⁶ to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.⁷

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR

² J. Brandon Bolen, Gregory Ellichausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), <https://dx.doi.org/10.2139/ssrn.4315919>. See also Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), <https://doi.org/10.59576/sr.1173>.

³ See Bolen, Ellichausen & Miller.

⁴ See *id.*

⁵ See Letter from Ben Brooks, President, Zogo Inc. to the Office of the Comptroller of the Currency (Aug. 3, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0020>.

⁶ See Letter from Rochelle Gorey, CEO & Founder, SpringFour to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0018>.

⁷ 2025 Social Impact Report, OppFi Inc., <https://www.oppfi.com/wp-content/uploads/OppFi-2025-Social-Impact-Report.pdf>.

does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration⁸ of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

OppFi's refinancing activity likewise should not be viewed as reflecting adversely on its lending practices. Unlike other lenders, OppFi does not charge fees to either prepay or refinance loans, so there is no additional cost to a consumer when a loan is refinanced. It also verifies a consumer's good standing and ability to repay prior to considering any refinance application. Borrowers cannot refinance if they are not paying their current loan and cannot have more than one loan at a time. In other words, a refinance is not used to get a customer out of trouble or force them into a "debt trap," but is an extension of additional credit to qualified customers that are in good standing. As explained in the FAQs, refinancing in this manner has the effect of reducing customer borrowing costs over a given period of time, relative to a single larger loan of the same duration. OppFi also provides a refinance counter in its customer portal, showing borrowers exactly how many incremental dollars they are receiving, to keep borrowers informed. In this manner, OppFi seeks to ensure that its customers are fully informed regarding financial decision-making, and to facilitate responsible availability of credit for such customers.

II. OppFi complies, and will continue to comply, with applicable law regarding interest rates.

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,⁹ including in California where a court recently ruled in favor of OppFi.¹⁰ Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

Approving the Applications would bring OppFi's lending activities wholly within the federal regulatory perimeter under the auspices of OppFi Bank. Such activities would, as a result,

⁸ As measured by the weighted-average life of such loans.

⁹ See Letter from Professor Tom Miller Jr., Mississippi State University and Professor Todd Zywicki, George Mason University, to Hon. Jonathan Gould, Office of the Comptroller of the Currency, Hon. Kevin Warsh, Board of Governors of the Federal Reserve System, Hon. Travis Hill, Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0011>.

¹⁰ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026). The California Department of Financial Protection and Innovation ("DFPI") has filed a notice of appeal.

become subject to comprehensive supervision, regulation, and examination by the responsible federal banking agencies. This would have the effect of increasing, not decreasing, the ability of the federal banking agencies to ensure OppFi and OppFi Bank remain accountable for their compliance with these laws. Historically, the commenters have raised concerns about the bank partnership model because it was not conducted directly under the auspices of a bank; now that OppFi is seeking to move all of its operations wholly within a bank, they conveniently find concern with that model, as well.

Upon approval of the Applications, OppFi will become subject to consolidated supervision by the Federal Reserve as a bank holding company, OppFi Bank will remain subject to supervision by the OCC, and both will continue to operate in compliance with all applicable laws, including relevant consumer protection laws. This includes the legal framework authorizing national banks to charge the interest rates permitted in their home states.¹¹ Being able to charge home state rates is the framework that *Congress* chose to apply to banks generally.

Congress also determined the statutory criteria that the Agencies must apply when determining whether or not to approve an application. Those criteria do not include whether interest rate exportation – a legal principle that Congress authorized – is desired by persons commenting on the application, or even by the Agencies themselves. Congress has repeatedly declined to impose a nationwide cap on APRs for loans (outside of a few limited circumstances) and explicitly forbid the CFPB from instituting a rate cap. By suggesting that the Agencies reject the Applications on this basis, the commenters are effectively asking the Agencies to use the approval process to change the law from what Congress enacted. When the letter objects to the application of the statutory framework authorizing interest rate exportation, we respectfully submit that these concerns are more appropriately addressed by Congress. They cannot be resolved in individual application proceedings where the Agencies are required to apply statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted in a manner that is consistent with what federal law authorizes.

III. OppFi's record reflects positive customer outcomes and responsible resolutions of regulatory matters.

OppFi takes seriously all regulatory inquiries and consumer complaints. OppFi devotes, and OppFi Bank would continue to devote, considerable resources to the prevention and resolution of consumer issues with OppFi Bank's loan products. OppFi's customer complaint function relies on well-trained, professional employees, operating a robust technical infrastructure, to listen to and address customer concerns in a timely fashion, consistent with applicable law. Like other financial services companies serving a large customer base, OppFi receives consumer complaints from time to time, and some of those complaints are shared by consumers with regulators (including the Consumer Financial Protection Bureau's complaint database). However, reviewing a sample of those complaints, without also considering the significant proportion of OppFi's customers that are satisfied with their borrowing experience, deliberately distorts the public's perception of OppFi's business.

¹¹ 12 U.S.C. § 85. *See also* 12 U.S.C. § 1831d (granting the same authority to state-chartered banks).

Indeed, measures of customer satisfaction that seek feedback from both satisfied and unsatisfied customers reflect general satisfaction with the products that OppFi offers. OppFi has earned a 74 net promoter score from customers so far in 2026.¹² Net promoter score is a measure of the likelihood that a customer would recommend a company, product, or a service to a friend or colleague, based upon customer surveys. OppFi's net promoter score for this period is among the leading figures in the financial industry. OppFi also maintains a 4.7 star average on over 12,000 reviews on Google, and a 4.4 star average on over 5,000 reviews on TrustPilot. This suggests that customer experiences with OppFi are broadly positive.

Customer utilization of OppFi products also suggests strong satisfaction. For example, since mid-2021, approximately 1 out of every 4 OppFi customers pay their loan off in full and then return at a later point in time to obtain a new loan facilitated by OppFi. If these customers were not satisfied, they would presumably use a different lender.

Customer satisfaction with products OppFi facilitates is also supported in the regulatory record associated with the Applications. As of the date of this letter, the OCC has received a number of comments from the public, discussing the ways in which the loan products OppFi facilitates have meaningfully improved the financial lives of customers who were unable to access credit from banks or credit unions with which they already had business relationships.¹³ Those customers acknowledge the straightforward and transparent nature of OppFi's process, the ready availability of funds, and the importance of having a lender in the marketplace that is able to assist customers when they need a loan, including customers that have less-than-perfect credit ratings.

As such, while OppFi takes all customer complaints seriously, the fact that complaints exist (as they do with any financial services company) is not inherently a reason to disfavor the Applications. Instead, such complaints must be considered in the broader context of OppFi's overall customer satisfaction, which shows that a considerable majority of customers are satisfied with their experience using loan products OppFi facilitates.

OppFi's record also reflects a responsible approach to resolving regulatory matters. Where possible, OppFi has sought to work with regulators to address issues in a cooperative manner.¹⁴ Where such an approach was not possible, or would be materially inconsistent with OppFi's business interests, OppFi has elected to pursue available legal remedies to vindicate its interests (as any business would do). Of particular note, in 2022, the California DFPI alleged that OppFi, rather than its bank partner, was the "true lender" with respect to the loans that such lenders originate. In May 2026, a California state court rejected those claims, finding that OppFi's bank

¹² OppFi follows standard market practices for obtaining and measuring net promoter scores.

¹³ See, e.g., Softcheck Comment, Davis Comment, Comment from Adnan Khafeef to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Khafeef Comment**"), <https://www.regulations.gov/comment/OCC-2026-0727-0004>, Comment from Kim Smith to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Smith Comment**"), <https://www.regulations.gov/comment/OCC-2026-0727-0009>.

¹⁴ In 2021, OppFi entered into a consent order with the Office of the Attorney General for the District of Columbia (DCAG) to resolve an enforcement action relating to the District of Columbia Consumer Protection Act. While agreeing to certain terms with the DCAG, OppFi denied all allegations made under the consent order, and remains in compliance with the order's terms. Also in 2021, OppFi received a notification from the staff of the Consumer Financial Protection Bureau that the regulator had concluded an investigation into whether OppFi's lending practices violated the Military Lending Act, and would not be recommending an enforcement action against the company.

partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards.¹⁵ As such, the interest rates that may be charged on those loans at origination by OppFi's bank partner remain valid if those loans are later sold or transferred under the long-standing "valid-when-made" doctrine. The DFPI has filed a notice of appeal. However, OppFi remains confident that both its existing business model of working with bank partners that originate loans, as well as its proposed business model of originating loans directly through OppFi Bank, are consistent with clearly established legal principles permitting banks to rely upon the interest rate limitations of their home state, consistent with federal law.

IV. Approval of the Applications will not negatively impact vulnerable groups.

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.¹⁶ Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

Denial of the Applications would not solve the financial problems affecting vulnerable and disadvantaged groups. Those problems are not a byproduct of the loan products OppFi facilitates, but rather, a consequence of the historical manner in which the American economy is structured. Indeed, denying the Applications could well have the opposite effect from what the commenters intend, by reducing the availability of credit specifically offered to individuals in vulnerable and disadvantaged groups, and by making such groups more dependent upon offerings outside of the regulated financial services space. Many of the other lenders to which such individuals may turn do not provide the transparent disclosures, clear terms, and other community-oriented services that OppFi prides itself on providing. For more information regarding such terms and services, please see the section of this letter titled "OppFi's mission is to facilitate safe, simple, and more affordable credit access to Americans who lack traditional options."

V. The Application and the comment process have provided sufficient information, rendering additional procedural accommodations unnecessary.

Several commenters have asked the Agencies to take additional procedural steps, namely, extending the comment period associated with the Applications, or holding a public hearing in connection with the relevant Agency's review of the Applications.¹⁷ We respectfully submit that no additional procedural steps are necessary for the Agencies to fully evaluate the Applications,

¹⁵ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026).

¹⁶ See, e.g., Softcheck Comment, Davis Comment.

¹⁷ With respect to the Application under consideration by the Board of Governors of the Federal Reserve System, certain letters also request consideration by the full Board of Governors.

as the standard comment period and application process has generated a substantial and growing public record that is sufficient for such purpose.

Each of the Agencies applies a similar standard in determining whether to grant a public hearing in connection with a pending application. The FDIC generally grants a hearing request only if it determines that written submissions would be insufficient or that a hearing otherwise would be in the public interest.¹⁸ The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decision-making process, and the OCC may order a hearing if it concludes that a hearing would be in the public interest.¹⁹ Requests to the Fed for a hearing must, among other things, explain why a written presentation would not suffice in lieu of a hearing, identify specifically any questions of fact that are in dispute and summarize the evidence that would be presented at a hearing.²⁰

The commenters' requests do not demonstrate that the length of the comment period is inadequate, that the written submissions are insufficient, or that uniquely with respect to these Applications, a hearing would be in the public interest. OppFi has provided substantial information to the Agencies and to the public as part of the Applications, demonstrating that the Acquisition satisfies the applicable statutory criteria for each relevant Agency. The number of comments and the level of detail they include demonstrates that the Applications have included sufficient information for the commenters to evaluate the Applications, such that the Agencies may take their opinions into consideration. Finally, the holding of a public hearing would not be in the public interest, as doing so would not enhance the public record or Agency consideration of the Applications in a manner distinct from other regulatory applications with respect to which the Agencies determined that a hearing was not necessary.

Therefore, the commenters fail to demonstrate that written submissions, provided during the ordinary comment period, would be insufficient for the Agencies to assess the Applications in light of the applicable statutory criteria, or would otherwise uniquely serve the public interest in a manner distinct from Applications where a hearing was not granted.

* * * * *

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

Todd Schwartz
Chief Executive Officer

/s/ Marv Gurevich

Marv Gurevich
General Counsel

cc: Distribution List

¹⁸ 12 C.F.R. § 303.10.

¹⁹ 12 C.F.R. § 5.11.

²⁰ 12 C.F.R. § 262.3(e).

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APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

The Vital Role Played by Operators like OppFi to Fill Gaps in the Financial Landscape and Ensure Banking Access for All Americans

July 2026

This FAQ compiles publicly available research, government data, and OppFi's own reported metrics to answer common questions about the economics of small-dollar lending, the effects of state interest rate caps, and OppFi's pending application to become a bank holding company through its proposed acquisition of BNC National Bank.

What is OppFi, and what is its mission?

OppFi is a tech-enabled digital finance platform that partners with banks to offer financial products and services to everyday Americans. Established in 2012 by CEO and Founder Todd Schwartz, OppFi has facilitated over 9 billion dollars in credit to over 1.7 million customers. OppFi's mission is to facilitate safe, simple, and more affordable credit access to the 48 million Americans who currently lack traditional options while rebuilding their financial health.

The Economics of Small-Dollar Credit

Why do small-dollar loans carry higher APRs than larger, longer-term loans?

The fixed costs of underwriting, originating, servicing, and collecting a loan do not scale down with the size of the loan. Federal Reserve Board research (Chen and Elliehausen, 2020) finds that when these largely fixed costs are spread over a small principal balance, the resulting annual percentage rate rises accordingly. The study estimates a break-even APR of approximately 103.5% for a \$594 installment loan — the rate required to cover underwriting, compliance, servicing, and expected credit losses, with no profit margin built in. This is due to the low dollar amount and the short term of the loan. JPMorgan Chase CEO Jamie Dimon has made the same point about the broader banking industry, stating it is “impossible to do loans like that and make a profit” if rates are capped at 36%.

Is APR an appropriate way to measure the cost of a short-term, small-dollar loan?

The Truth in Lending Act's APR disclosure was built primarily around loans repaid over a year or more, such as mortgages and auto loans. Federal Reserve Board economists Thomas Durkin and Gregory Elliehausen observed in a 2013 paper that while TILA's uniform APR disclosure clarified costs for complex, long-duration credit, it has “complicated disclosures” for simple, short-term products. The Consumer Financial Protection Bureau's own 2021 Taskforce on Federal Consumer Financial Law reached a similar conclusion, noting that a lower APR is not automatically the better deal once duration and total dollar cost are taken into account.

What happens to credit access when a state imposes an interest rate cap on small-dollar loans?

Illinois offers a recent, measured example. When the state imposed a 36% all-in APR cap in March 2021, researchers found that loans to subprime borrowers in Illinois fell 44% within a year of the cap taking effect, while the average loan size to remaining subprime borrowers rose 40% (Bolen, Elliehausen & Miller, 2022). This reduction in credit access produces a clear negative impact on financial health outcomes: in a survey of affected borrowers, 39% reported that their financial well-being had declined since the cap, versus 11% who reported improvement, and 79% said they would like the option to return to their previous lender.

Do banks and credit unions currently serve this segment of borrowers?

Rarely. Banks and credit unions have largely exited small-dollar lending because the fixed costs of underwriting and servicing a small loan make it unprofitable at the rates most proposals contemplate (Servon, 2017). The Federal Reserve Bank of New York study cited above found that when the riskiest borrowers lost access to small-dollar credit under a rate cap, they did not shift to banks or credit unions — even though those institutions were explicitly exempt from the caps. In fact, 40% of OppFi’s own customers hold a checking or savings account at a large national bank or a credit union — institutions that already hold their deposits — and still seek installment credit elsewhere.

If small-dollar lending isn’t available through a regulated channel due to rate caps, does the underlying need for credit disappear?

No. An estimated 48 million Americans live in underbanked households and periodically need credit outside conventional bank underwriting models (FDIC, 2023 National Survey of Unbanked and Underbanked Households). When regulated lenders exit a market because a rate cap makes the product unprofitable to offer, that demand does not go away — it shifts to less-regulated or unregulated alternatives, including payday lenders, tribal lenders, and offshore online lenders operating with less examination, less transparency, and fewer consumer protections than a chartered, supervised bank.

OppFi’s Product and Consumer Protections

How does OppFi make sure a customer isn’t paying more than necessary?

OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. In 2025, TurnUp matched 14.5% of total eligible applicants with a potential partner offer, but just 1.2% of eligible applicants ultimately qualified after applying and accepted a lower-rate loan through the program (OppFi 2025 Social Impact Report). The remaining 98.8% did not have a lower-cost option available to them within that partner network, demonstrating the need for loans facilitated by OppFi.

What does an OppFi loan cost beyond interest?

OppFi never charges any application fees, origination fees, late fees, NSF fees, or prepayment penalties. Loans facilitated by OppFi are transparent, amortizing, and with no balloon payments.

What happens if a borrower experiences hardship and can’t make a payment?

OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. For example, in 2025, over 26,000 customers enrolled in a hardship program, and 55% of them have repaid their loans.

Does refinancing trap a customer in a cycle of debt?

No, in fact, refinancing is responsible and enables borrowers to lower costs and manage their payments and the amount of debt they take on. For example, a 10-month loan with three refinances would enable a customer to borrow 65% more at a total cost 43% lower relative to a single 24-month loan with the same payments. OppFi verifies the borrower’s good standing and ability to repay prior to facilitating every refinance. No borrower can refinance if they are not paying their current loan, and they can never have more than one loan at a time. A refinance counter is also visible in the customer portal, showing borrowers exactly how many incremental dollars they are receiving, keeping them informed of their options.

Does an OppFi loan help build a customer’s credit over time?

OppFi reports all borrower payments to all three major credit bureaus. OppFi also provides free access to the Zogo financial literacy app and partners with SpringFour to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025 (OppFi 2025 Social Impact Report).

How do customers rate their experience with OppFi?

OppFi has earned a 74 Net Promoter Score from customers so far in 2026, one of the leading figures in the financial industry. Servicing consistently measures highly with a CSAT score above 90%, and OppFi

maintains a 4.7 star average on over 12,000 reviews on Google and a 4.4 star average on over 5,000 reviews on TrustPilot.

Reading the Loss Data Correctly

Why do OppFi's charge-off rates look different depending on the source?

The variance in OppFi's reported charge-off rates depends on whether the figure represents a lifetime metric or an annualized metric. The lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for OppFi, indicating that 75% to 80% of **loans** are fully repaid. This is the more important charge-off metric for understanding overall repayment rates for individual loans.

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or $\frac{1}{3}$ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

Is the loan product itself new, or has OppFi been making these loans for years?

OppFi has facilitated the origination of this same installment loan product for 14 years and has helped serve more than 1.7 million customers. The pending application to acquire BNC National Bank does not create a new lending product; it changes the regulatory structure under which an already-operating business would continue.

Would OppFi be more or less regulated as a bank holding company?

More. Approval would subject OppFi to Federal Reserve oversight of the holding company, OCC examination of the national bank subsidiary, FDIC-insured depository standards, full Community Reinvestment Act evaluation and public rating, and the capital, liquidity, and other prudential requirements that apply to chartered banks but do not apply in the same way to OppFi's current non-bank lending structure.

Are OppFi's bank-partnership lending arrangements legally valid?

In May 2026, a California state court reviewed OppFi's bank-partnership arrangements and found that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards. The court applied the long-standing "valid-when-made" doctrine, under which a loan that is not usurious when originated by a validly chartered bank does not become usurious through a later sale or transfer. With that said, OppFi would not need to maintain these bank-partnership arrangements with a national bank charter, which would clarify and simplify its regulatory structure and oversight.

Does small-dollar lending count toward community reinvestment obligations?

The Community Reinvestment Act requires evaluation of whether a bank meets the credit needs of the communities it serves, including low- and moderate-income communities. OppFi's customer base includes many borrowers who have already been turned away by conventional underwriting models. If OppFi conducted business through a national bank, that bank's lending and community development activities would be subject to formal CRA examination and assigned a public rating — a level of accountability that does not apply under its current non-bank structure.

How does this merger benefit customers?

Combining with BNC Bank will expand OppFi's ability to deliver a comprehensive suite of financial products in more states, including Small Business Administration (SBA) lending, secured consumer lending, and wealth management. Access to BNC's stable, low-cost deposit base will provide diversified funding opportunities and lower funding costs, which we expect will be reflected in lower prices for

customers over time. Leveraging OppFi's machine learning and analytics will allow BNC to serve more individuals and communities with convenient, transparent banking services. This merger will maximize the strengths of two mission-aligned companies to expand financial inclusion for underserved Americans and small businesses.

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August 24, 2026

Via Electronic Delivery

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Re: Response to Comment from Center for Economic Integrity Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. (“**OppFi**”) appreciates the opportunity to respond to the letter filed by Ms. Kelly Griffith of the Center for Economic Integrity, concerning the applications submitted on June 27, 2026 (the “**Applications**”) to the Board of Governors of the Federal Reserve System (“**Board**”) and Federal Reserve Bank of Chicago (“**Reserve Bank**,” and together with the Board, the “**Federal Reserve**”), the Office of the Comptroller of the Currency (“**OCC**”), and the Federal Deposit Insurance Corporation (“**FDIC**,” and together with the Federal Reserve and OCC, the “**Agencies**”) to acquire BNCCORP, INC. (“**BNCCORP**”), and indirectly, BNCCORP’s wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the “**Acquisition**”). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association (“**OppFi Bank**”), and the combination of OppFi’s business with the business of BNC National Bank. We are also in receipt of the identical letters submitted by the Center for Economic Integrity to the OCC and FDIC, and we sent a response letter to the OCC and FDIC in substantially the same form on August 11, 2026.

OppFi Bank will offer both traditional banking services through a branch-based model, as well as loan products serving a range of customers, many of whom are underserved by the banking industry. The Acquisition satisfies the statutory criteria required to be applied by the Agencies under the Bank Holding Company Act and/or the Bank Merger Act, as applicable, and the corresponding implementing regulations of the Agencies. Further, OppFi has a strong culture of legal compliance, and seeks to satisfy all applicable legal requirements across its business. The sections that follow in this letter respond to key points raised in the Center for Economic Integrity’s comment on the Applications.

Part I of this letter discusses how OppFi’s lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi’s compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III affirms that OppFi Bank will operate in a safe and sound manner, in accordance with applicable law. Part IV explains that

adverse precedent would not be established by approving the Acquisition. Part V explains that, given the substantial information provided by the Applications and the comment process, additional procedural accommodations are unnecessary. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

I. OppFi's mission is to facilitate transparent, simple, and more affordable credit access to Americans who lack traditional options.

Banks and credit unions have moved away from serving the 48+ million consumers with damaged credit. As a result, most individuals with damaged credit are often left without traditional options when they need access to credit. OppFi facilitates loans for these borrowers, in a way that is transparent, simple, and more affordable than other non-traditional credit alternatives. The short-term, small-dollar loan products that OppFi facilitates are underwritten by OppFi's bank partners to ensure the ability of borrowers to repay in a timely fashion.

OppFi prides itself on facilitating loan products that help customers manage everyday financial needs and which help consumers build their credit history. Unlike other short-term, small dollar loan products, OppFi does not impose application fees, origination fees, late fees, non-sufficient funds ("NSF") fees, or prepayment penalties. The loans OppFi facilitates are transparent, amortizing, and do not carry balloon (or similar) payments. OppFi seeks to ensure that these terms are relatively simple to understand. In the absence of loan products like those facilitated by OppFi, consumers would be forced to turn to alternatives such as payday lenders, pawn shops, and tribal lenders. These providers charge extremely high interest rates, generally more than twice the rates that OppFi loans offer, impose exorbitant fees and penalties, and offer opaque terms.

The interest rates charged on the loans that OppFi facilitates reflect the fixed costs of underwriting, compliance, and servicing for such loans, and are calibrated to the repayment risk associated with such products. Importantly, these fixed costs reflect the underlying operations necessary to engage in this business, and do not scale down with the size of the loan. As a result, the interest rates associated with these loans (measured as a standardized annual percentage rate ("APR")) may be higher than those offered by banks and credit unions for conventional loan products. However, a loan product that has a higher APR is not inherently "unfair" or "predatory," nor is it inherently undesirable for a consumer who is unable to obtain needed credit from traditional sources. As comment letters submitted by OppFi customers to the OCC indicate, the loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.¹

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("PLPA"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant

¹ See, e.g., Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Softcheck Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0005>, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Davis Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0008>.

negative consequences for nonprime borrowers.² Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, “including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off.”³ This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.⁴ This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

When working Americans facing short-term financial hardships are unable to obtain credit from a traditional bank or credit union, their challenges do not simply go away. Without credit, a person may face serious financial consequences, such as the loss of a car, job, or home, and related emotional and personal distress. OppFi’s products are often a bridge that help people make it through those life challenges more fairly, transparently, and affordably than realistic alternatives. To compare OppFi’s products to conventional alternatives that are often unavailable to OppFi’s borrowers, while willfully ignoring the alternative products that are available, does not serve the interests of everyday working Americans.

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides free access to the Zogo financial literacy app⁵ and partners with SpringFour⁶ to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.⁷

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR

² J. Brandon Bolen, Gregory Ellichausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), <https://dx.doi.org/10.2139/ssrn.4315919>. See also Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), <https://doi.org/10.59576/sr.1173>.

³ See Bolen, Ellichausen & Miller.

⁴ See *id.*

⁵ See Letter from Ben Brooks, President, Zogo Inc. to the Office of the Comptroller of the Currency (Aug. 3, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0020>.

⁶ See Letter from Rochelle Gorey, CEO & Founder, SpringFour to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0018>.

⁷ 2025 Social Impact Report, OppFi Inc., <https://www.oppfi.com/wp-content/uploads/OppFi-2025-Social-Impact-Report.pdf>.

does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration⁸ of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

OppFi's refinancing activity likewise should not be viewed as reflecting adversely on its lending practices. Unlike other lenders, OppFi does not charge fees to either prepay or refinance loans, so there is no additional cost to a consumer when a loan is refinanced. It also verifies a consumer's good standing and ability to repay prior to considering any refinance application. Borrowers cannot refinance if they are not paying their current loan and cannot have more than one loan at a time. In other words, a refinance is not used to get a customer out of trouble or force them into a "debt trap," but is an extension of additional credit to qualified customers that are in good standing. As explained in the FAQs, refinancing in this manner has the effect of reducing customer borrowing costs over a given period of time, relative to a single larger loan of the same duration. OppFi also provides a refinance counter in its customer portal, showing borrowers exactly how many incremental dollars they are receiving, to keep borrowers informed. In this manner, OppFi seeks to ensure that its customers are fully informed regarding financial decision-making, and to facilitate responsible availability of credit for such customers.

II. OppFi complies, and will continue to comply, with applicable law regarding interest rates.

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,⁹ including in California where a court recently ruled in favor of OppFi.¹⁰ Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

Approving the Applications would bring OppFi's lending activities wholly within the federal regulatory perimeter under the auspices of OppFi Bank. Such activities would, as a result,

⁸ As measured by the weighted-average life of such loans.

⁹ See Letter from Professor Tom Miller Jr., Mississippi State University and Professor Todd Zywicki, George Mason University, to Hon. Jonathan Gould, Office of the Comptroller of the Currency, Hon. Kevin Warsh, Board of Governors of the Federal Reserve System, Hon. Travis Hill, Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0011>.

¹⁰ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026). The California Department of Financial Protection and Innovation ("DFPI") has filed a notice of appeal.

become subject to comprehensive supervision, regulation, and examination by the responsible federal banking agencies. This would have the effect of increasing, not decreasing, the ability of the federal banking agencies to ensure OppFi and OppFi Bank remain accountable for their compliance with these laws. Historically, the commenters have raised concerns about the bank partnership model because it was not conducted directly under the auspices of a bank; now that OppFi is seeking to move all of its operations wholly within a bank, they conveniently find concern with that model, as well.

Upon approval of the Applications, OppFi will become subject to consolidated supervision by the Federal Reserve as a bank holding company, OppFi Bank will remain subject to supervision by the OCC, and both will continue to operate in compliance with all applicable laws, including relevant consumer protection laws. This includes the legal framework authorizing national banks to charge the interest rates permitted in their home states.¹¹ Being able to charge home state rates is the framework that *Congress* chose to apply to banks generally.

Congress also determined the statutory criteria that the Agencies must apply when determining whether or not to approve an application. Those criteria do not include whether interest rate exportation – a legal principle that Congress authorized – is desired by persons commenting on the application, or even by the Agencies themselves. Congress has repeatedly declined to impose a nationwide cap on APRs for loans (outside of a few limited circumstances) and explicitly forbid the CFPB from instituting a rate cap. By suggesting that the Agencies reject the Applications on this basis, the commenters are effectively asking the Agencies to use the approval process to change the law from what Congress enacted. When the letter objects to the application of the statutory framework authorizing interest rate exportation, we respectfully submit that these concerns are more appropriately addressed by Congress. They cannot be resolved in individual application proceedings where the Agencies are required to apply statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted in a manner that is consistent with what federal law authorizes.

III. OppFi Bank will operate in a safe and sound manner, consistent with applicable law.

The letter expresses concern that OppFi Bank offering a limited set of short-term, small-dollar loan products to consumers would pose safety and soundness risks, in light of the higher charge-off rate associated with these types of loan products. Relative to conventional loan products, higher charge-off rates are to be expected on short-term, small dollar loan products, given that the types of borrowers being served by each product are different. Individuals utilizing short-term, small dollar loans are more likely to be those to whom banks and credit unions have declined to extend credit, based upon their personal credit history. Operating a bank that seeks to make credit available to such individuals is not inherently unsafe and unsound, as long as the bank holds adequate capital, is appropriately underwriting its loans, and is appropriately pricing the related risk.

If the Applications are approved, OppFi Bank will operate in a safe and sound manner, adhering to applicable legal requirements and guidance, including the Interagency Lending

¹¹ 12 U.S.C. § 85. *See also* 12 U.S.C. § 1831d (granting the same authority to state-chartered banks).

Principles for Responsible Small-Dollar Loans (“**Interagency Lending Principles**”).¹² As articulated therein, “responsibly offered small-dollar loans can play [an important role] in helping customers meet their ongoing needs for credit due to temporary cash-flow imbalances, unexpected expenses, or income shortfalls, including during periods of economic stress, national emergencies, or disaster recoveries.”¹³ The Interagency Lending Principles align with OppFi’s core focus on facilitating safe, simple, and more affordable credit access. This includes offering products that comply with all applicable laws, that align loan amounts and repayment terms with eligibility and underwriting criteria, that support the successful repayment of principal and interest in a reasonable timeframe, and that include clear and conspicuous disclosures of loan terms. OppFi Bank’s provision of short-term, small dollar loans will be further buttressed by its use of OppFi’s existing strong risk management tools, as well as by a robust balance sheet appropriately calibrated to the risk of the asset portfolio that OppFi Bank will hold, and incorporating an appropriate capital buffer for purposes of the applicable regulatory capital ratios.

Similarly, OppFi Bank offering short-term, small-dollar loan products will not affect the overall stability of the financial system. Systemic risk arises where the activities of one bank have the potential to destabilize the overall banking system due to the size of the institutions involved, as well as the interconnectedness of financial institutions and the products they offer. OppFi Bank will be considerably smaller, on a total assets basis, than the thresholds at which both Congress and the Agencies have determined that a bank’s size may give rise to systemic risk. Further, OppFi Bank will not offer the types of complex financial products that create interconnectedness between banks, instead offering traditional banking products and transparent and short-term, small dollar loan products to consumer borrowers.

IV. Approving the Acquisition will not establish an adverse precedent.

Approving the formation by merger of new depository institutions with a track record of success in lending to borrowers unable to obtain credit from traditional lenders will bring both those consumers and the institutions that serve them within the perimeter of federal banking regulation. It will also help to meet the unmet needs of those consumers through the national banking system. Therefore, in assessing whether or not to approve the Applications, the Agencies should consider the neutral application of the relevant statutory criteria to the specific facts of the transaction under evaluation, rather than applying broad generalizations about entire classes of financial services organizations in an undifferentiated manner. OppFi is proposing the full acquisition and consolidation of lending activities within a federally supervised institution, subject to the entire panoply of safety-and-soundness requirements, Community Reinvestment Act obligations, and ongoing examination by federal supervisors. From the perspective of the Agencies, this approach should be preferable with respect to short-term, small dollar lending, as it allows the Agencies to ensure that credit is extended to such borrowers in a responsible manner and in compliance with applicable law.

¹² Board of Governors of the Federal Reserve System; Federal Deposit Insurance Corporation; National Credit Union Administration; Office of the Comptroller of the Currency, *Interagency Lending Principles for Offering Responsible Small-Dollar Loans* (May 2020), <https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-65a.pdf>.

¹³ *Id.*

Approval of the Acquisition, which would permit OppFi to operate OppFi Bank and engage in the business of short-term, small dollar lending consistent with applicable law, will not open a pathway that allows bad actors to offer predatory products through a national bank charter. If the Applications are approved, the Agencies retain full authority – indeed, full responsibility – to evaluate each subsequent application on its individual merits according to prescribed statutory criteria. A precedent of applying the statutory criteria as written, evenhandedly and without categorical exclusions for particular business models, is not a precedent of permissiveness; it is a precedent of regularity and rule of law. The Agencies’ existing supervisory toolkit is more than adequate to differentiate fair and transparent companies like OppFi from unscrupulous actors, without the need to impose a prophylactic ban on entire categories of applicants that forecloses legitimate transactions, like the Acquisition, along with illegitimate ones that the commenters are concerned about.

In particular, the comment letter raises a number of issues relating to payday lending, based upon public statements made by OppFi that it intends to work with its bank partners to facilitate an earned wage access product (which OppFi Bank would likely offer following the Acquisition). Congress permits national banks to offer such products, and the Agencies have indicated that these products may be permissibly offered in a manner that is consistent with other applicable consumer protection laws and with safety and soundness requirements. OppFi Bank will comply with all applicable laws, including relevant consumer protection laws, as well as with applicable guidance, in offering an earned wage access product.

The comment letter also highlights a number of specific examples of other banks that were subject to enforcement actions relating to payday lending, arguing that these enforcement actions evinced a policy of the Agencies prohibiting banks from entering into bank partnership arrangements, and more generally, from engaging in the practice of offering earned wage access or payday lending products. We are aware of no such policy by the Agencies. Regulatory enforcement actions reflect identified alleged violations of law arising from the specific facts and circumstances of particular banks at particular points in time. Each of the enforcement actions identified by the commenter relates to specific unlawful practices engaged in by particular banks. OppFi Bank has committed to comply with all applicable laws and to operate in a safe and sound manner.¹⁴ To interpret the existence of specific enforcement actions against other banks in the past as representing a general policy of prohibiting certain lawful products disfavored by the commenter is extreme conjecture. Moreover, it would be contrary to general principles regarding consistent and transparent application of the rule of law, as well as to the actions taken by the Agencies to remove consideration of “reputation” risk from the Agencies’ regulatory guidance.

Finally, as discussed elsewhere in this letter, Congress has enumerated specific statutory criteria that the Agencies must apply when determining whether or not to approve the Applications. Those criteria do not include whether the commenter disfavors certain lawful products that an applicant intends to offer, particularly given that the Agencies have expressly disclaimed the consideration of reputation risk in other contexts. When the letter objects to the application of the statutory framework under which Congress has authorized certain types of products to be offered by national banks, we respectfully submit that these concerns are more appropriately addressed by

¹⁴ See, e.g., the section titled “OppFi Bank will operate in a safe and sound manner, consistent with applicable law.”

Congress. Such policy preferences or reputational concerns cannot and should not be resolved as a part of individual application proceedings in which the Agencies apply defined statutory criteria.

V. The Application and the comment process have provided sufficient information, rendering additional procedural accommodations unnecessary.

Several commenters have asked the Agencies to take additional procedural steps, namely, extending the comment period associated with the Applications, or holding a public hearing in connection with the relevant Agency's review of the Applications.¹⁵ We respectfully submit that no additional procedural steps are necessary for the Agencies to fully evaluate the Applications, as the standard comment period and application process has generated a substantial and growing public record that is sufficient for such purpose.

Each of the Agencies applies a similar standard in determining whether to grant a public hearing in connection with a pending application. The FDIC generally grants a hearing request only if it determines that written submissions would be insufficient or that a hearing otherwise would be in the public interest.¹⁶ The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decision-making process, and the OCC may order a hearing if it concludes that a hearing would be in the public interest.¹⁷ Requests to the Fed for a hearing must, among other things, explain why a written presentation would not suffice in lieu of a hearing, identify specifically any questions of fact that are in dispute and summarize the evidence that would be presented at a hearing.¹⁸

The commenters' requests do not demonstrate that the length of the comment period is inadequate, that the written submissions are insufficient, or that uniquely with respect to these Applications, a hearing would be in the public interest. OppFi has provided substantial information to the Agencies and to the public as part of the Applications, demonstrating that the Acquisition satisfies the applicable statutory criteria for each relevant Agency. The number of comments and the level of detail they include demonstrates that the Applications have included sufficient information for the commenters to evaluate the Applications, such that the Agencies may take their opinions into consideration. Finally, the holding of a public hearing would not be in the public interest, as doing so would not enhance the public record or Agency consideration of the Applications in a manner distinct from other regulatory applications with respect to which the Agencies determined that a hearing was not necessary.

Therefore, the commenters fail to demonstrate that written submissions, provided during the ordinary comment period, would be insufficient for the Agencies to assess the Applications in light of the applicable statutory criteria, or would otherwise uniquely serve the public interest in a manner distinct from Applications where a hearing was not granted.

* * * * *

¹⁵ With respect to the Application under consideration by the Board of Governors of the Federal Reserve System, certain letters also request consideration by the full Board of Governors.

¹⁶ 12 C.F.R. § 303.10.

¹⁷ 12 C.F.R. § 5.11.

¹⁸ 12 C.F.R. § 262.3(e).

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

Todd Schwartz
Chief Executive Officer

/s/ Marv Gurevich

Marv Gurevich
General Counsel

cc: Distribution List

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APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

The Vital Role Played by Operators like OppFi to Fill Gaps in the Financial Landscape and Ensure Banking Access for All Americans

July 2026

This FAQ compiles publicly available research, government data, and OppFi's own reported metrics to answer common questions about the economics of small-dollar lending, the effects of state interest rate caps, and OppFi's pending application to become a bank holding company through its proposed acquisition of BNC National Bank.

What is OppFi, and what is its mission?

OppFi is a tech-enabled digital finance platform that partners with banks to offer financial products and services to everyday Americans. Established in 2012 by CEO and Founder Todd Schwartz, OppFi has facilitated over 9 billion dollars in credit to over 1.7 million customers. OppFi's mission is to facilitate safe, simple, and more affordable credit access to the 48 million Americans who currently lack traditional options while rebuilding their financial health.

The Economics of Small-Dollar Credit

Why do small-dollar loans carry higher APRs than larger, longer-term loans?

The fixed costs of underwriting, originating, servicing, and collecting a loan do not scale down with the size of the loan. Federal Reserve Board research (Chen and Elliehausen, 2020) finds that when these largely fixed costs are spread over a small principal balance, the resulting annual percentage rate rises accordingly. The study estimates a break-even APR of approximately 103.5% for a \$594 installment loan — the rate required to cover underwriting, compliance, servicing, and expected credit losses, with no profit margin built in. This is due to the low dollar amount and the short term of the loan. JPMorgan Chase CEO Jamie Dimon has made the same point about the broader banking industry, stating it is “impossible to do loans like that and make a profit” if rates are capped at 36%.

Is APR an appropriate way to measure the cost of a short-term, small-dollar loan?

The Truth in Lending Act's APR disclosure was built primarily around loans repaid over a year or more, such as mortgages and auto loans. Federal Reserve Board economists Thomas Durkin and Gregory Elliehausen observed in a 2013 paper that while TILA's uniform APR disclosure clarified costs for complex, long-duration credit, it has “complicated disclosures” for simple, short-term products. The Consumer Financial Protection Bureau's own 2021 Taskforce on Federal Consumer Financial Law reached a similar conclusion, noting that a lower APR is not automatically the better deal once duration and total dollar cost are taken into account.

What happens to credit access when a state imposes an interest rate cap on small-dollar loans?

Illinois offers a recent, measured example. When the state imposed a 36% all-in APR cap in March 2021, researchers found that loans to subprime borrowers in Illinois fell 44% within a year of the cap taking effect, while the average loan size to remaining subprime borrowers rose 40% (Bolen, Elliehausen & Miller, 2022). This reduction in credit access produces a clear negative impact on financial health outcomes: in a survey of affected borrowers, 39% reported that their financial well-being had declined since the cap, versus 11% who reported improvement, and 79% said they would like the option to return to their previous lender.

Do banks and credit unions currently serve this segment of borrowers?

Rarely. Banks and credit unions have largely exited small-dollar lending because the fixed costs of underwriting and servicing a small loan make it unprofitable at the rates most proposals contemplate (Servon, 2017). The Federal Reserve Bank of New York study cited above found that when the riskiest borrowers lost access to small-dollar credit under a rate cap, they did not shift to banks or credit unions — even though those institutions were explicitly exempt from the caps. In fact, 40% of OppFi’s own customers hold a checking or savings account at a large national bank or a credit union — institutions that already hold their deposits — and still seek installment credit elsewhere.

If small-dollar lending isn’t available through a regulated channel due to rate caps, does the underlying need for credit disappear?

No. An estimated 48 million Americans live in underbanked households and periodically need credit outside conventional bank underwriting models (FDIC, 2023 National Survey of Unbanked and Underbanked Households). When regulated lenders exit a market because a rate cap makes the product unprofitable to offer, that demand does not go away — it shifts to less-regulated or unregulated alternatives, including payday lenders, tribal lenders, and offshore online lenders operating with less examination, less transparency, and fewer consumer protections than a chartered, supervised bank.

OppFi’s Product and Consumer Protections

How does OppFi make sure a customer isn’t paying more than necessary?

OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. In 2025, TurnUp matched 14.5% of total eligible applicants with a potential partner offer, but just 1.2% of eligible applicants ultimately qualified after applying and accepted a lower-rate loan through the program (OppFi 2025 Social Impact Report). The remaining 98.8% did not have a lower-cost option available to them within that partner network, demonstrating the need for loans facilitated by OppFi.

What does an OppFi loan cost beyond interest?

OppFi never charges any application fees, origination fees, late fees, NSF fees, or prepayment penalties. Loans facilitated by OppFi are transparent, amortizing, and with no balloon payments.

What happens if a borrower experiences hardship and can’t make a payment?

OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. For example, in 2025, over 26,000 customers enrolled in a hardship program, and 55% of them have repaid their loans.

Does refinancing trap a customer in a cycle of debt?

No, in fact, refinancing is responsible and enables borrowers to lower costs and manage their payments and the amount of debt they take on. For example, a 10-month loan with three refinances would enable a customer to borrow 65% more at a total cost 43% lower relative to a single 24-month loan with the same payments. OppFi verifies the borrower’s good standing and ability to repay prior to facilitating every refinance. No borrower can refinance if they are not paying their current loan, and they can never have more than one loan at a time. A refinance counter is also visible in the customer portal, showing borrowers exactly how many incremental dollars they are receiving, keeping them informed of their options.

Does an OppFi loan help build a customer’s credit over time?

OppFi reports all borrower payments to all three major credit bureaus. OppFi also provides free access to the Zogo financial literacy app and partners with SpringFour to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025 (OppFi 2025 Social Impact Report).

How do customers rate their experience with OppFi?

OppFi has earned a 74 Net Promoter Score from customers so far in 2026, one of the leading figures in the financial industry. Servicing consistently measures highly with a CSAT score above 90%, and OppFi

maintains a 4.7 star average on over 12,000 reviews on Google and a 4.4 star average on over 5,000 reviews on TrustPilot.

Reading the Loss Data Correctly

Why do OppFi's charge-off rates look different depending on the source?

The variance in OppFi's reported charge-off rates depends on whether the figure represents a lifetime metric or an annualized metric. The lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for OppFi, indicating that 75% to 80% of **loans** are fully repaid. This is the more important charge-off metric for understanding overall repayment rates for individual loans.

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or $\frac{1}{3}$ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

Is the loan product itself new, or has OppFi been making these loans for years?

OppFi has facilitated the origination of this same installment loan product for 14 years and has helped serve more than 1.7 million customers. The pending application to acquire BNC National Bank does not create a new lending product; it changes the regulatory structure under which an already-operating business would continue.

Would OppFi be more or less regulated as a bank holding company?

More. Approval would subject OppFi to Federal Reserve oversight of the holding company, OCC examination of the national bank subsidiary, FDIC-insured depository standards, full Community Reinvestment Act evaluation and public rating, and the capital, liquidity, and other prudential requirements that apply to chartered banks but do not apply in the same way to OppFi's current non-bank lending structure.

Are OppFi's bank-partnership lending arrangements legally valid?

In May 2026, a California state court reviewed OppFi's bank-partnership arrangements and found that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards. The court applied the long-standing "valid-when-made" doctrine, under which a loan that is not usurious when originated by a validly chartered bank does not become usurious through a later sale or transfer. With that said, OppFi would not need to maintain these bank-partnership arrangements with a national bank charter, which would clarify and simplify its regulatory structure and oversight.

Does small-dollar lending count toward community reinvestment obligations?

The Community Reinvestment Act requires evaluation of whether a bank meets the credit needs of the communities it serves, including low- and moderate-income communities. OppFi's customer base includes many borrowers who have already been turned away by conventional underwriting models. If OppFi conducted business through a national bank, that bank's lending and community development activities would be subject to formal CRA examination and assigned a public rating — a level of accountability that does not apply under its current non-bank structure.

How does this merger benefit customers?

Combining with BNC Bank will expand OppFi's ability to deliver a comprehensive suite of financial products in more states, including Small Business Administration (SBA) lending, secured consumer lending, and wealth management. Access to BNC's stable, low-cost deposit base will provide diversified funding opportunities and lower funding costs, which we expect will be reflected in lower prices for

customers over time. Leveraging OppFi's machine learning and analytics will allow BNC to serve more individuals and communities with convenient, transparent banking services. This merger will maximize the strengths of two mission-aligned companies to expand financial inclusion for underserved Americans and small businesses.

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August 24, 2026

Via Electronic Delivery

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
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Chicago, Illinois 60604

Re: Response to Comment from Attorneys General Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. (“**OppFi**”) appreciates the opportunity to respond to the second comment letter, dated August 5, 2026 (the “**Second Comment**”), filed by Attorney General Kwame Raoul on behalf of the state attorneys general listed therein (the “**Commenters**”), concerning OppFi’s application to the Board of Governors of the Federal Reserve System (the “**Board**”) to become a bank holding company by acquiring BNCCORP, Inc. (“**BNCCORP**”) and, indirectly, its wholly owned subsidiary, BNC National Bank (together with OppFi’s related applications to the Office of the Comptroller of the Currency (“**OCC**”) and the Federal Deposit Insurance Corporation (“**FDIC**”), the “**Applications**”, and the transactions to which the Applications relate, the “**Acquisition**”).

On August 7, 2026, OppFi responded in detail to the Commenters’ initial letter of July 15, 2026 (the “**August 7 Response**”).¹ The August 7 Response addressed, among other things, the consumer benefits of the loan products OppFi facilitates; OppFi’s compliance with applicable interest rate laws; the safety and soundness of the proposed OppFi Bank, National Association (“**OppFi Bank**”); the absence of any adverse precedential effect; and the sufficiency of the existing comment process. Rather than repeat those points, OppFi incorporates the August 7 Response by reference and limits this letter to the arguments raised for the first time in the Second Comment. The Second Comment restates much of the Commenters’ initial letter; where it does, the August 7 Response already provides OppFi’s answer. What is genuinely new in the Second Comment is addressed below; none of it supplies a basis for denial under the statutory factors the Board is required to apply.

¹Letter from OppFi Inc. to the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation (Aug. 7, 2026) (the “August 7 Response”).

I. The core of the Second Comment is outright disagreement with the well-established doctrine of federal preemption of state usury laws.

Little of the Second Comment is an objection to this Acquisition. It is an objection to the federal preemption of state usury laws, a longstanding bedrock principle of federal banking law. In the guise of a comment letter, the Commenters brazenly ask the Board to reject this doctrine, something it has no authority to do. Each of the letter's principal arguments—that a national bank charter would allow OppFi to “circumvent” state rate caps; that federal preemption would “override” state anti-evasion statutes; that state enforcement options would be “stripped” from the states; and that states cannot opt out of rate exportation by national banks as they can for state-chartered banks—describes nothing particular to OppFi, to BNCCORP, or to this transaction. Each describes the ordinary, congressionally-intended operation of the National Bank Act with respect to every national bank in the country. Since 1864, national banks have been authorized to charge the interest rate permitted by the laws of their home states, and the Supreme Court confirmed nearly a half-century ago that this authority extends to loans made to borrowers in other states, whatever the usury limits of those states may be.² Rate exportation is not a defect in the system that OppFi has located and hopes to exploit; it is a foundational and deliberate feature of the dual banking system.

Congress has returned to this framework repeatedly and has reaffirmed it each time. In DIDMCA, Congress extended parallel rate-exportation authority to state-chartered banks precisely to preserve competitive parity between the two charter types, and, in doing so, provided an opt-out mechanism for the state-bank provision only, leaving the national bank framework under Section 85 undisturbed.³ The asymmetry the Commenters identify is therefore not an oversight; it is a distinction Congress drew. In the Dodd-Frank Act, Congress comprehensively revisited the preemption standards applicable to national banks, yet left Section 85 and its exportation principle intact. Congress has repeatedly considered, and repeatedly declined to enact, a generally applicable national interest rate cap and has barred the Consumer Financial Protection Bureau from establishing one by regulation.⁴ The legal framework the Commenters challenge thus reflects a considered and reiterated congressional judgment about how interest rate regulation is allocated between the federal government and the states.

That the Commenters' criticism is of the intentional structure of federal banking laws themselves highlights that it is an improper basis for the agencies charged with implementing those laws to deny this application. Section 3 of the Bank Holding Company Act directs the Board to evaluate defined factors: competitive effects; the financial and managerial resources and future prospects of the companies and banks concerned; the convenience and needs of the communities to be served; risk to the stability of the United States banking or financial system; and other enumerated criteria.⁵ The OCC and the FDIC are required to consider similar factors in the applications in front of those agencies. Whether Commenters or the Board approve of interest rate exportation is not among any of them. What the Commenters ask of the Board is, in substance, to

²12 U.S.C. § 85; *Marquette Nat'l Bank of Minn. v. First of Omaha Serv. Corp.*, 439 U.S. 299 (1978).

³12 U.S.C. § 1831d.

⁴*See* 12 U.S.C. § 5517(o) (“No provision of this title shall be construed as conferring authority on the Bureau to establish a usury limit . . .”).

⁵12 U.S.C. § 1842(c).

deny an application not because the applicant fails any statutory criterion, but in order to prevent a federal statute from operating according to its terms as to this applicant. The application process is not a forum for nullifying, on a case-by-case basis, a preemption framework that Congress enacted. Indeed, the Commenters' reasoning contains no limiting principle: if a business model built on lending to nonprime consumers at rates lawful under Section 85 were itself a ground for denial, no such lender could ever acquire a bank, no matter how strong its financial condition, management, capital, or compliance record. That is a categorical exclusion Congress never legislated, and none of the Board, the OCC, or the FDIC should adopt it by adjudication.

The Commenters' "evasion" framing also mistakes the significance of OppFi's own words. The Second Comment quotes risk-factor disclosures from OppFi's Annual Report on Form 10-K concerning potential "true lender" litigation and possible state DIDMCA opt-outs as though OppFi had conceded the "legal instability" of its business. But federal securities law requires public companies to disclose material litigation, regulatory, and legislative risks without regard to the company's view of the merits,⁶ and courts that have reached the merits have upheld the legality of the bank partnership model through which OppFi facilitates loans, including a California court's 2026 ruling in OppFi's favor.⁷ More fundamentally, there is nothing illegitimate about a company preferring the clarity of a single, congressionally defined federal framework over the cost and unpredictability of recurring litigation about which state's law applies. Choosing the charter whose legal framework best fits a nationwide business is exactly the choice the dual banking system exists to offer.

The Commenters' framing inverts the regulatory consequences of approval. Today, OppFi operates as a nonbank service provider to state-chartered bank partners. If the Applications are approved, OppFi's lending activities will be consolidated within a nationally chartered, federally examined bank, and OppFi itself will become subject to consolidated supervision by the Federal Reserve as a bank holding company—including capital requirements, source-of-strength obligations, regular examination, and the full complement of federal consumer financial protection laws administered and enforced by the banking agencies. The Second Comment describes this as "the fox into the hen house," but a company voluntarily submitting its entire business to comprehensive prudential and consumer supervision is not an image of escape. It is an increase, not a reduction, in the aggregate regulatory oversight to which OppFi's business is subject. Notably, when OppFi operates through bank partnerships, the Commenters object that the activity is insufficiently within the banking perimeter; when OppFi proposes to move wholly inside that perimeter, the Commenters object to that as well. The consistent theme of the Commenters' position is not a concern about supervision: it is a substantive objection to the interest rates Congress permits banks to charge. That objection is not a basis for denial of an application.

In the same vein, the Commenters' position that consumer protection would be better served by rejecting the Acquisition is misguided. As described in further detail in Section IV below, OppFi serves a consumer population in critical need of credit at fully-disclosed, risk-based prices. That need will exist regardless of the outcome of this Acquisition, and companies will serve that market. Consumer protection principles are best served by responsible actors like OppFi

⁶See 17 C.F.R. § 229.105 (Item 105 of Regulation S-K, requiring disclosure of "the material factors that make an investment in the registrant or offering speculative or risky").

⁷See, e.g., *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026).

offering those products in full compliance with the Truth in Lending Act and the UDAP requirements of the Federal Trade Commission Act and Consumer Financial Protection Act—and even more so when those companies are subject to federal supervision.

II. The resolved 2021 District of Columbia matter does not evidence a managerial or compliance deficiency relevant to the Applications.

The Second Comment relies heavily on allegations from a 2021 complaint filed by the Attorney General for the District of Columbia and the resulting settlement. Several points bear emphasis. First, the matter was fully and finally resolved nearly five years ago, on agreed terms and without any adjudication of liability.⁸ The reference to a five-year-old resolution, where our bank partner made a localized business decision to exit a small market rather than incur lengthy litigation, is a misleading distortion of our record. In fact, California courts completely dismissed a similar challenge against OppFi, reaffirming the legality of our bank partnership model. Second, OppFi has honored the terms of that resolution, which itself reflects OppFi's practice of working cooperatively with regulators, even where it disputes their legal positions. Third, the statistics the Commenters draw from that complaint are 2021-era allegations, not current data, and the refinancing figures they cite are addressed in the August 7 Response and in Part III below.

To the extent the Commenters offer the District of Columbia matter as bearing on the managerial resources factor, the Board's assessment is forward-looking and based on the whole record: OppFi's fourteen-year operating history serving more than 1.7 million customers, its compliance management system, its cooperation with its state and federal regulators, and the supervisory framework that will apply to OppFi Bank upon consummation. A single negotiated resolution from 2021 concerning an economic model that courts elsewhere, including California, have upheld does not outweigh our comprehensive compliance record or our commitment to operating within a federally supervised national banking framework.

III. The Second Comment's financial comparisons are misplaced and do not raise safety and soundness concerns.

The Second Comment repeats the Commenters' previous charge-off argument with new detail: a comparison to the 2.64% average charge-off rate on consumer loans at all commercial banks, a comparison of OppFi's rates to the 11.86% average APR on two-year commercial bank personal loans, and a quotation from a 2022 earnings call in which OppFi's chief executive officer discussed target charge-off ranges. None of these advances the analysis.

The comparisons to commercial bank averages are comparisons across fundamentally different borrower populations and products. Average bank consumer loan portfolios are dominated by prime borrowers to whom banks have affirmatively chosen to lend; OppFi facilitates credit for consumers whom those same banks have declined to serve. Comparing loss rates and pricing across those populations reflects only that lending to nonprime borrowers involves greater credit risk, which must be priced correctly, but says nothing about whether that lending can be conducted safely and soundly. As explained in the August 7 Response, the annualized charge-off

⁸ See Consent Judgment and Order, *District of Columbia v. Opportunity Financial, LLC*, No. 2021-CA-0010702B (signed Nov. 18, 2021).

figures the Commenters cite are also mathematically inflated by the short average duration of the loans in a way that inaccurately suggests that consumers do not repay the amount borrowed.⁹

The earnings-call quotation makes OppFi's point, not the Commenters'. A lender that establishes explicit loss-rate targets, monitors performance against them, and calibrates underwriting and pricing accordingly is engaged in exactly the disciplined credit risk management that safety and soundness standards and the Interagency Lending Principles contemplate.¹⁰ Expected losses on a nonprime portfolio are not a defect to be concealed; they are a risk parameter to be measured, priced, and reserved against. The relevant supervisory questions are whether the institution's capital, reserves, underwriting, and pricing are appropriately calibrated to its risk profile—questions the Applications address in detail and that the Board and the OCC will supervise on an ongoing basis—not whether the institution's loss rates match those of portfolios serving a different customer base.

OppFi's record 2025 financial results similarly reflect the prudent financial management that the Board should expect of a financial institution. Sustained profitability alongside transparent loss reporting arising from loans that consumers understand demonstrate that OppFi's risk-based pricing is calibrated to its portfolio and that the business generates the earnings and capital-formation capacity that prudential regulators should require of a bank holding company. This detail thus supports the financial resources factor under the Bank Holding Company Act.

IV. The Acquisition will serve the convenience and needs of the communities involved, consistent with the Community Reinvestment Act.

The Second Comment newly argues that OppFi's lending cannot satisfy the convenience-and-needs factor or the Community Reinvestment Act ("CRA"). The argument rests on the same premise that runs through the entire Second Comment, that credit extended at rates appropriate to nonprime risk *per se* harms the borrowers who receive it. That premise is contradicted by the empirical literature, including research finding that rate caps of the kind the Commenters favor reduced the availability of credit to nonprime borrowers by 38% in Illinois, with borrowers who lost access reporting late bill payments, utility shutoffs, and other significant hardships.¹¹ A community's credit needs are not met by ensuring that its highest-risk members can obtain no regulated credit at all. Meeting the credit needs of low- and moderate-income individuals and communities is the very purpose of the CRA, and it is what OppFi Bank proposes to do within a supervised, examined framework.

⁹See August 7 Response, Part I (explaining that the lifetime charge-off rate on loans OppFi facilitates—total dollars charged off divided by total dollars originated—ranges from 20% to 25%, and that annualizing losses on a product with an average life of approximately four months multiplies the stated rate by a factor of roughly three).

¹⁰Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, *Interagency Lending Principles for Offering Responsible Small-Dollar Loans* (May 2020).

¹¹See, e.g., J. Brandon Bolen, Gregory Elliehausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (June 2023); Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025).

The Commenters’ reliance on refinancing statistics as evidence of a “debt trap” likewise ignores the structural features of the products OppFi facilitates, described in the August 7 Response: no origination, late, non-sufficient-funds, or prepayment fees; fully amortizing terms with no balloon payments; refinancing available only to borrowers in good standing who re-qualify under ability-to-repay underwriting; a limit of one loan per customer at a time; and a refinance counter that shows borrowers precisely how many incremental dollars they are receiving.¹² A fee-free refinance extended to a re-underwritten borrower in good standing is a further extension of credit to a performing customer — not a rollover of the kind the Interagency Lending Principles caution against.

As set forth in the Applications and subsequent updates, OppFi Bank will maintain a CRA program appropriate to its business model and assessment areas, will continue to provide traditional branch-based banking services, and will be subject to periodic CRA performance assessment by the OCC. The Commenters observe that BNC National Bank’s existing “Satisfactory” CRA rating would not automatically describe the combined institution.¹³ That is true of every bank merger, and it is why CRA performance is assessed on an ongoing basis by the responsible supervisor rather than resolved by categorical predictions in the application process. The appropriate mechanism for the Commenters’ concern is the supervisory and examination framework that approval would bring OppFi Bank fully within.

* * * * *

The Second Comment adds no new evidence bearing on the statutory factors the Board must apply: the financial and managerial resources and future prospects of the companies involved, the convenience and needs of the communities to be served, financial stability, and the other criteria of Section 3 of the Bank Holding Company Act. On each, the Applications and the record, including the August 7 Response and this letter, demonstrate that the statutory criteria are satisfied. The Commenters’ objection, at bottom, is to federal preemption of state usury laws itself—a framework Congress enacted, has repeatedly reaffirmed, and alone has the authority to change. That objection is an improper basis to deny an application that meets the standards Congress prescribed.

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

/s/ Marv Gurevich

Todd Schwartz
Chief Executive Officer

Marv Gurevich
General Counsel

cc: Distribution List

¹²See August 7 Response, Part I (describing OppFi’s refinancing standards, including that borrowers must be in good standing and re-qualified for ability to repay, may hold only one loan at a time, and pay no fees or penalties to refinance or prepay).

¹³Office of the Comptroller of the Currency, *Community Reinvestment Act Performance Evaluation*, BNC National Bank (Oct. 20, 2025) (“Satisfactory” rating).

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August 24, 2026

Via Electronic Delivery

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Re: Response to Comment from North Carolina Justice Center Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. (“**OppFi**”) appreciates the opportunity to respond to the letter filed by Mr. Jason Pikler of North Carolina Justice Center, concerning the applications submitted on June 27, 2026 (the “**Applications**”) to the Board of Governors of the Federal Reserve System (“**Board**”) and Federal Reserve Bank of Chicago (“**Reserve Bank**,” and together with the Board, the “**Federal Reserve**”), the Office of the Comptroller of the Currency (“**OCC**”), and the Federal Deposit Insurance Corporation (“**FDIC**,” and together with the Federal Reserve and OCC, the “**Agencies**”) to acquire BNCCORP, INC. (“**BNCCORP**”), and indirectly, BNCCORP’s wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the “**Acquisition**”). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association (“**OppFi Bank**”), and the combination of OppFi’s business with the business of BNC National Bank.

OppFi Bank will offer both traditional banking services through a branch-based model, as well as loan products serving a range of customers, many of whom are underserved by the banking industry. The Acquisition satisfies the statutory criteria required to be applied by the Agencies under the Bank Holding Company Act and/or the Bank Merger Act, as applicable, and the corresponding implementing regulations of the Agencies. Further, OppFi has a strong culture of legal compliance, and seeks to satisfy all applicable legal requirements across its business. The sections that follow in this letter respond to key points raised in North Carolina Justice Center’s comment on the Applications.

Part I of this letter discusses how OppFi’s lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi’s compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III explains that OppFi prioritizes positive customer outcomes and the responsible resolution of regulatory matters. Part IV demonstrates that approving the Applications would not negatively impact vulnerable groups. Part V explains that, given the substantial information provided by the Applications and the

comment process, additional procedural accommodations are unnecessary. Additionally, please see [Appendix 1](#) for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

I. OppFi's mission is to facilitate transparent, simple, and more affordable credit access to Americans who lack traditional options.

Banks and credit unions have moved away from serving the 48+ million consumers with damaged credit. As a result, most individuals with damaged credit are often left without traditional options when they need access to credit. OppFi facilitates loans for these borrowers, in a way that is transparent, simple, and more affordable than other non-traditional credit alternatives. The short-term, small-dollar loan products that OppFi facilitates are underwritten by OppFi's bank partners to ensure the ability of borrowers to repay in a timely fashion.

OppFi prides itself on facilitating loan products that help customers manage everyday financial needs and which help consumers build their credit history. Unlike other short-term, small dollar loan products, OppFi does not impose application fees, origination fees, late fees, non-sufficient funds ("NSF") fees, or prepayment penalties. The loans OppFi facilitates are transparent, amortizing, and do not carry balloon (or similar) payments. OppFi seeks to ensure that these terms are relatively simple to understand. In the absence of loan products like those facilitated by OppFi, consumers would be forced to turn to alternatives such as payday lenders, pawn shops, and tribal lenders. These providers charge extremely high interest rates, generally more than twice the rates that OppFi loans offer, impose exorbitant fees and penalties, and offer opaque terms.

The interest rates charged on the loans that OppFi facilitates reflect the fixed costs of underwriting, compliance, and servicing for such loans, and are calibrated to the repayment risk associated with such products. Importantly, these fixed costs reflect the underlying operations necessary to engage in this business, and do not scale down with the size of the loan. As a result, the interest rates associated with these loans (measured as a standardized annual percentage rate ("APR")) may be higher than those offered by banks and credit unions for conventional loan products. However, a loan product that has a higher APR is not inherently "unfair" or "predatory," nor is it inherently undesirable for a consumer who is unable to obtain needed credit from traditional sources. As comment letters submitted by OppFi customers to the OCC indicate, the loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.¹

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("PLPA"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant

¹ See, e.g., Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Softcheck Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0005>, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Davis Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0008>.

negative consequences for nonprime borrowers.² Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, “including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off.”³ This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.⁴ This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

When working Americans facing short-term financial hardships are unable to obtain credit from a traditional bank or credit union, their challenges do not simply go away. Without credit, a person may face serious financial consequences, such as the loss of a car, job, or home, and related emotional and personal distress. OppFi’s products are often a bridge that help people make it through those life challenges more fairly, transparently, and affordably than realistic alternatives. To compare OppFi’s products to conventional alternatives that are often unavailable to OppFi’s borrowers, while willfully ignoring the alternative products that are available, does not serve the interests of everyday working Americans.

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides free access to the Zogo financial literacy app⁵ and partners with SpringFour⁶ to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.⁷

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR

² J. Brandon Bolen, Gregory Ellichausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), <https://dx.doi.org/10.2139/ssrn.4315919>. See also Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), <https://doi.org/10.59576/sr.1173>.

³ See Bolen, Ellichausen & Miller.

⁴ See *id.*

⁵ See Letter from Ben Brooks, President, Zogo Inc. to the Office of the Comptroller of the Currency (Aug. 3, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0020>.

⁶ See Letter from Rochelle Gorey, CEO & Founder, SpringFour to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0018>.

⁷ 2025 Social Impact Report, OppFi Inc., <https://www.oppfi.com/wp-content/uploads/OppFi-2025-Social-Impact-Report.pdf>.

does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration⁸ of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

OppFi's refinancing activity likewise should not be viewed as reflecting adversely on its lending practices. Unlike other lenders, OppFi does not charge fees to either prepay or refinance loans, so there is no additional cost to a consumer when a loan is refinanced. It also verifies a consumer's good standing and ability to repay prior to considering any refinance application. Borrowers cannot refinance if they are not paying their current loan and cannot have more than one loan at a time. In other words, a refinance is not used to get a customer out of trouble or force them into a "debt trap," but is an extension of additional credit to qualified customers that are in good standing. As explained in the FAQs, refinancing in this manner has the effect of reducing customer borrowing costs over a given period of time, relative to a single larger loan of the same duration. OppFi also provides a refinance counter in its customer portal, showing borrowers exactly how many incremental dollars they are receiving, to keep borrowers informed. In this manner, OppFi seeks to ensure that its customers are fully informed regarding financial decision-making, and to facilitate responsible availability of credit for such customers.

II. OppFi complies, and will continue to comply, with applicable law regarding interest rates.

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,⁹ including in California where a court recently ruled in favor of OppFi.¹⁰ Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

Approving the Applications would bring OppFi's lending activities wholly within the federal regulatory perimeter under the auspices of OppFi Bank. Such activities would, as a result,

⁸ As measured by the weighted-average life of such loans.

⁹ See Letter from Professor Tom Miller Jr., Mississippi State University and Professor Todd Zywicki, George Mason University, to Hon. Jonathan Gould, Office of the Comptroller of the Currency, Hon. Kevin Warsh, Board of Governors of the Federal Reserve System, Hon. Travis Hill, Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0011>.

¹⁰ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026). The California Department of Financial Protection and Innovation ("DFPI") has filed a notice of appeal.

become subject to comprehensive supervision, regulation, and examination by the responsible federal banking agencies. This would have the effect of increasing, not decreasing, the ability of the federal banking agencies to ensure OppFi and OppFi Bank remain accountable for their compliance with these laws. Historically, the commenters have raised concerns about the bank partnership model because it was not conducted directly under the auspices of a bank; now that OppFi is seeking to move all of its operations wholly within a bank, they conveniently find concern with that model, as well.

Upon approval of the Applications, OppFi will become subject to consolidated supervision by the Federal Reserve as a bank holding company, OppFi Bank will remain subject to supervision by the OCC, and both will continue to operate in compliance with all applicable laws, including relevant consumer protection laws. This includes the legal framework authorizing national banks to charge the interest rates permitted in their home states.¹¹ Being able to charge home state rates is the framework that *Congress* chose to apply to banks generally.

Congress also determined the statutory criteria that the Agencies must apply when determining whether or not to approve an application. Those criteria do not include whether interest rate exportation – a legal principle that Congress authorized – is desired by persons commenting on the application, or even by the Agencies themselves. Congress has repeatedly declined to impose a nationwide cap on APRs for loans (outside of a few limited circumstances) and explicitly forbid the CFPB from instituting a rate cap. By suggesting that the Agencies reject the Applications on this basis, the commenters are effectively asking the Agencies to use the approval process to change the law from what Congress enacted. When the letter objects to the application of the statutory framework authorizing interest rate exportation, we respectfully submit that these concerns are more appropriately addressed by Congress. They cannot be resolved in individual application proceedings where the Agencies are required to apply statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted in a manner that is consistent with what federal law authorizes.

III. OppFi's record reflects positive customer outcomes and responsible resolutions of regulatory matters.

OppFi takes seriously all regulatory inquiries and consumer complaints. OppFi devotes, and OppFi Bank would continue to devote, considerable resources to the prevention and resolution of consumer issues with OppFi Bank's loan products. OppFi's customer complaint function relies on well-trained, professional employees, operating a robust technical infrastructure, to listen to and address customer concerns in a timely fashion, consistent with applicable law. Like other financial services companies serving a large customer base, OppFi receives consumer complaints from time to time, and some of those complaints are shared by consumers with regulators (including the Consumer Financial Protection Bureau's complaint database). However, reviewing a sample of those complaints, without also considering the significant proportion of OppFi's customers that are satisfied with their borrowing experience, deliberately distorts the public's perception of OppFi's business.

¹¹ 12 U.S.C. § 85. *See also* 12 U.S.C. § 1831d (granting the same authority to state-chartered banks).

Indeed, measures of customer satisfaction that seek feedback from both satisfied and unsatisfied customers reflect general satisfaction with the products that OppFi offers. OppFi has earned a 74 net promoter score from customers so far in 2026.¹² Net promoter score is a measure of the likelihood that a customer would recommend a company, product, or a service to a friend or colleague, based upon customer surveys. OppFi's net promoter score for this period is among the leading figures in the financial industry. OppFi also maintains a 4.7 star average on over 12,000 reviews on Google, and a 4.4 star average on over 5,000 reviews on TrustPilot. This suggests that customer experiences with OppFi are broadly positive.

Customer utilization of OppFi products also suggests strong satisfaction. For example, since mid-2021, approximately 1 out of every 4 OppFi customers pay their loan off in full and then return at a later point in time to obtain a new loan facilitated by OppFi. If these customers were not satisfied, they would presumably use a different lender.

Customer satisfaction with products OppFi facilitates is also supported in the regulatory record associated with the Applications. As of the date of this letter, the OCC has received a number of comments from the public, discussing the ways in which the loan products OppFi facilitates have meaningfully improved the financial lives of customers who were unable to access credit from banks or credit unions with which they already had business relationships.¹³ Those customers acknowledge the straightforward and transparent nature of OppFi's process, the ready availability of funds, and the importance of having a lender in the marketplace that is able to assist customers when they need a loan, including customers that have less-than-perfect credit ratings.

As such, while OppFi takes all customer complaints seriously, the fact that complaints exist (as they do with any financial services company) is not inherently a reason to disfavor the Applications. Instead, such complaints must be considered in the broader context of OppFi's overall customer satisfaction, which shows that a considerable majority of customers are satisfied with their experience using loan products OppFi facilitates.

OppFi's record also reflects a responsible approach to resolving regulatory matters. Where possible, OppFi has sought to work with regulators to address issues in a cooperative manner.¹⁴ Where such an approach was not possible, or would be materially inconsistent with OppFi's business interests, OppFi has elected to pursue available legal remedies to vindicate its interests (as any business would do). Of particular note, in 2022, the California DFPI alleged that OppFi, rather than its bank partner, was the "true lender" with respect to the loans that such lenders originate. In May 2026, a California state court rejected those claims, finding that OppFi's bank

¹² OppFi follows standard market practices for obtaining and measuring net promoter scores.

¹³ See, e.g., Softcheck Comment, Davis Comment, Comment from Adnan Khafeef to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Khafeef Comment**"), <https://www.regulations.gov/comment/OCC-2026-0727-0004>, Comment from Kim Smith to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Smith Comment**"), <https://www.regulations.gov/comment/OCC-2026-0727-0009>.

¹⁴ In 2021, OppFi entered into a consent order with the Office of the Attorney General for the District of Columbia (DCAG) to resolve an enforcement action relating to the District of Columbia Consumer Protection Act. While agreeing to certain terms with the DCAG, OppFi denied all allegations made under the consent order, and remains in compliance with the order's terms. Also in 2021, OppFi received a notification from the staff of the Consumer Financial Protection Bureau that the regulator had concluded an investigation into whether OppFi's lending practices violated the Military Lending Act, and would not be recommending an enforcement action against the company.

partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards.¹⁵ As such, the interest rates that may be charged on those loans at origination by OppFi's bank partner remain valid if those loans are later sold or transferred under the long-standing "valid-when-made" doctrine. The DFPI has filed a notice of appeal. However, OppFi remains confident that both its existing business model of working with bank partners that originate loans, as well as its proposed business model of originating loans directly through OppFi Bank, are consistent with clearly established legal principles permitting banks to rely upon the interest rate limitations of their home state, consistent with federal law.

IV. Approval of the Applications will not negatively impact vulnerable groups.

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.¹⁶ Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

Denial of the Applications would not solve the financial problems affecting vulnerable and disadvantaged groups. Those problems are not a byproduct of the loan products OppFi facilitates, but rather, a consequence of the historical manner in which the American economy is structured. Indeed, denying the Applications could well have the opposite effect from what the commenters intend, by reducing the availability of credit specifically offered to individuals in vulnerable and disadvantaged groups, and by making such groups more dependent upon offerings outside of the regulated financial services space. Many of the other lenders to which such individuals may turn do not provide the transparent disclosures, clear terms, and other community-oriented services that OppFi prides itself on providing. For more information regarding such terms and services, please see the section of this letter titled "OppFi's mission is to facilitate safe, simple, and more affordable credit access to Americans who lack traditional options."

V. The Application and the comment process have provided sufficient information, rendering additional procedural accommodations unnecessary.

Several commenters have asked the Agencies to take additional procedural steps, namely, extending the comment period associated with the Applications, or holding a public hearing in connection with the relevant Agency's review of the Applications.¹⁷ We respectfully submit that no additional procedural steps are necessary for the Agencies to fully evaluate the Applications,

¹⁵ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026).

¹⁶ See, e.g., Softcheck Comment, Davis Comment.

¹⁷ With respect to the Application under consideration by the Board of Governors of the Federal Reserve System, certain letters also request consideration by the full Board of Governors.

as the standard comment period and application process has generated a substantial and growing public record that is sufficient for such purpose.

Each of the Agencies applies a similar standard in determining whether to grant a public hearing in connection with a pending application. The FDIC generally grants a hearing request only if it determines that written submissions would be insufficient or that a hearing otherwise would be in the public interest.¹⁸ The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decision-making process, and the OCC may order a hearing if it concludes that a hearing would be in the public interest.¹⁹ Requests to the Fed for a hearing must, among other things, explain why a written presentation would not suffice in lieu of a hearing, identify specifically any questions of fact that are in dispute and summarize the evidence that would be presented at a hearing.²⁰

The commenters' requests do not demonstrate that the length of the comment period is inadequate, that the written submissions are insufficient, or that uniquely with respect to these Applications, a hearing would be in the public interest. OppFi has provided substantial information to the Agencies and to the public as part of the Applications, demonstrating that the Acquisition satisfies the applicable statutory criteria for each relevant Agency. The number of comments and the level of detail they include demonstrates that the Applications have included sufficient information for the commenters to evaluate the Applications, such that the Agencies may take their opinions into consideration. Finally, the holding of a public hearing would not be in the public interest, as doing so would not enhance the public record or Agency consideration of the Applications in a manner distinct from other regulatory applications with respect to which the Agencies determined that a hearing was not necessary.

Therefore, the commenters fail to demonstrate that written submissions, provided during the ordinary comment period, would be insufficient for the Agencies to assess the Applications in light of the applicable statutory criteria, or would otherwise uniquely serve the public interest in a manner distinct from Applications where a hearing was not granted.

* * * * *

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

Todd Schwartz
Chief Executive Officer

/s/ Marv Gurevich

Marv Gurevich
General Counsel

cc: Distribution List

¹⁸ 12 C.F.R. § 303.10.

¹⁹ 12 C.F.R. § 5.11.

²⁰ 12 C.F.R. § 262.3(e).

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APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

The Vital Role Played by Operators like OppFi to Fill Gaps in the Financial Landscape and Ensure Banking Access for All Americans

July 2026

This FAQ compiles publicly available research, government data, and OppFi's own reported metrics to answer common questions about the economics of small-dollar lending, the effects of state interest rate caps, and OppFi's pending application to become a bank holding company through its proposed acquisition of BNC National Bank.

What is OppFi, and what is its mission?

OppFi is a tech-enabled digital finance platform that partners with banks to offer financial products and services to everyday Americans. Established in 2012 by CEO and Founder Todd Schwartz, OppFi has facilitated over 9 billion dollars in credit to over 1.7 million customers. OppFi's mission is to facilitate safe, simple, and more affordable credit access to the 48 million Americans who currently lack traditional options while rebuilding their financial health.

The Economics of Small-Dollar Credit

Why do small-dollar loans carry higher APRs than larger, longer-term loans?

The fixed costs of underwriting, originating, servicing, and collecting a loan do not scale down with the size of the loan. Federal Reserve Board research (Chen and Elliehausen, 2020) finds that when these largely fixed costs are spread over a small principal balance, the resulting annual percentage rate rises accordingly. The study estimates a break-even APR of approximately 103.5% for a \$594 installment loan — the rate required to cover underwriting, compliance, servicing, and expected credit losses, with no profit margin built in. This is due to the low dollar amount and the short term of the loan. JPMorgan Chase CEO Jamie Dimon has made the same point about the broader banking industry, stating it is “impossible to do loans like that and make a profit” if rates are capped at 36%.

Is APR an appropriate way to measure the cost of a short-term, small-dollar loan?

The Truth in Lending Act's APR disclosure was built primarily around loans repaid over a year or more, such as mortgages and auto loans. Federal Reserve Board economists Thomas Durkin and Gregory Elliehausen observed in a 2013 paper that while TILA's uniform APR disclosure clarified costs for complex, long-duration credit, it has “complicated disclosures” for simple, short-term products. The Consumer Financial Protection Bureau's own 2021 Taskforce on Federal Consumer Financial Law reached a similar conclusion, noting that a lower APR is not automatically the better deal once duration and total dollar cost are taken into account.

What happens to credit access when a state imposes an interest rate cap on small-dollar loans?

Illinois offers a recent, measured example. When the state imposed a 36% all-in APR cap in March 2021, researchers found that loans to subprime borrowers in Illinois fell 44% within a year of the cap taking effect, while the average loan size to remaining subprime borrowers rose 40% (Bolen, Elliehausen & Miller, 2022). This reduction in credit access produces a clear negative impact on financial health outcomes: in a survey of affected borrowers, 39% reported that their financial well-being had declined since the cap, versus 11% who reported improvement, and 79% said they would like the option to return to their previous lender.

Do banks and credit unions currently serve this segment of borrowers?

Rarely. Banks and credit unions have largely exited small-dollar lending because the fixed costs of underwriting and servicing a small loan make it unprofitable at the rates most proposals contemplate (Servon, 2017). The Federal Reserve Bank of New York study cited above found that when the riskiest borrowers lost access to small-dollar credit under a rate cap, they did not shift to banks or credit unions — even though those institutions were explicitly exempt from the caps. In fact, 40% of OppFi’s own customers hold a checking or savings account at a large national bank or a credit union — institutions that already hold their deposits — and still seek installment credit elsewhere.

If small-dollar lending isn’t available through a regulated channel due to rate caps, does the underlying need for credit disappear?

No. An estimated 48 million Americans live in underbanked households and periodically need credit outside conventional bank underwriting models (FDIC, 2023 National Survey of Unbanked and Underbanked Households). When regulated lenders exit a market because a rate cap makes the product unprofitable to offer, that demand does not go away — it shifts to less-regulated or unregulated alternatives, including payday lenders, tribal lenders, and offshore online lenders operating with less examination, less transparency, and fewer consumer protections than a chartered, supervised bank.

OppFi’s Product and Consumer Protections

How does OppFi make sure a customer isn’t paying more than necessary?

OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. In 2025, TurnUp matched 14.5% of total eligible applicants with a potential partner offer, but just 1.2% of eligible applicants ultimately qualified after applying and accepted a lower-rate loan through the program (OppFi 2025 Social Impact Report). The remaining 98.8% did not have a lower-cost option available to them within that partner network, demonstrating the need for loans facilitated by OppFi.

What does an OppFi loan cost beyond interest?

OppFi never charges any application fees, origination fees, late fees, NSF fees, or prepayment penalties. Loans facilitated by OppFi are transparent, amortizing, and with no balloon payments.

What happens if a borrower experiences hardship and can’t make a payment?

OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. For example, in 2025, over 26,000 customers enrolled in a hardship program, and 55% of them have repaid their loans.

Does refinancing trap a customer in a cycle of debt?

No, in fact, refinancing is responsible and enables borrowers to lower costs and manage their payments and the amount of debt they take on. For example, a 10-month loan with three refinances would enable a customer to borrow 65% more at a total cost 43% lower relative to a single 24-month loan with the same payments. OppFi verifies the borrower’s good standing and ability to repay prior to facilitating every refinance. No borrower can refinance if they are not paying their current loan, and they can never have more than one loan at a time. A refinance counter is also visible in the customer portal, showing borrowers exactly how many incremental dollars they are receiving, keeping them informed of their options.

Does an OppFi loan help build a customer’s credit over time?

OppFi reports all borrower payments to all three major credit bureaus. OppFi also provides free access to the Zogo financial literacy app and partners with SpringFour to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025 (OppFi 2025 Social Impact Report).

How do customers rate their experience with OppFi?

OppFi has earned a 74 Net Promoter Score from customers so far in 2026, one of the leading figures in the financial industry. Servicing consistently measures highly with a CSAT score above 90%, and OppFi

maintains a 4.7 star average on over 12,000 reviews on Google and a 4.4 star average on over 5,000 reviews on TrustPilot.

Reading the Loss Data Correctly

Why do OppFi's charge-off rates look different depending on the source?

The variance in OppFi's reported charge-off rates depends on whether the figure represents a lifetime metric or an annualized metric. The lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for OppFi, indicating that 75% to 80% of **loans** are fully repaid. This is the more important charge-off metric for understanding overall repayment rates for individual loans.

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or $\frac{1}{3}$ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

Is the loan product itself new, or has OppFi been making these loans for years?

OppFi has facilitated the origination of this same installment loan product for 14 years and has helped serve more than 1.7 million customers. The pending application to acquire BNC National Bank does not create a new lending product; it changes the regulatory structure under which an already-operating business would continue.

Would OppFi be more or less regulated as a bank holding company?

More. Approval would subject OppFi to Federal Reserve oversight of the holding company, OCC examination of the national bank subsidiary, FDIC-insured depository standards, full Community Reinvestment Act evaluation and public rating, and the capital, liquidity, and other prudential requirements that apply to chartered banks but do not apply in the same way to OppFi's current non-bank lending structure.

Are OppFi's bank-partnership lending arrangements legally valid?

In May 2026, a California state court reviewed OppFi's bank-partnership arrangements and found that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards. The court applied the long-standing "valid-when-made" doctrine, under which a loan that is not usurious when originated by a validly chartered bank does not become usurious through a later sale or transfer. With that said, OppFi would not need to maintain these bank-partnership arrangements with a national bank charter, which would clarify and simplify its regulatory structure and oversight.

Does small-dollar lending count toward community reinvestment obligations?

The Community Reinvestment Act requires evaluation of whether a bank meets the credit needs of the communities it serves, including low- and moderate-income communities. OppFi's customer base includes many borrowers who have already been turned away by conventional underwriting models. If OppFi conducted business through a national bank, that bank's lending and community development activities would be subject to formal CRA examination and assigned a public rating — a level of accountability that does not apply under its current non-bank structure.

How does this merger benefit customers?

Combining with BNC Bank will expand OppFi's ability to deliver a comprehensive suite of financial products in more states, including Small Business Administration (SBA) lending, secured consumer lending, and wealth management. Access to BNC's stable, low-cost deposit base will provide diversified funding opportunities and lower funding costs, which we expect will be reflected in lower prices for

customers over time. Leveraging OppFi's machine learning and analytics will allow BNC to serve more individuals and communities with convenient, transparent banking services. This merger will maximize the strengths of two mission-aligned companies to expand financial inclusion for underserved Americans and small businesses.

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August 24, 2026

Via Electronic Delivery

Christopher Koopmans
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Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
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Re: Response to Comment from New Economy Project, Genesee Co-Op Federal Credit Union, and the Lower East Side People's Federal Credit Union Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. ("**OppFi**") appreciates the opportunity to respond to the letter filed by Mr. Andy Morrison on behalf of New Economy Project, Genesee Co-Op Federal Credit Union, and the Lower East Side People's Federal Credit Union, concerning the applications submitted on June 27, 2026 (the "**Applications**") to the Board of Governors of the Federal Reserve System ("**Board**") and Federal Reserve Bank of Chicago ("**Reserve Bank**," and together with the Board, the "**Federal Reserve**"), the Office of the Comptroller of the Currency ("**OCC**"), and the Federal Deposit Insurance Corporation ("**FDIC**," and together with the Federal Reserve and OCC, the "**Agencies**") to acquire BNCCORP, INC. ("**BNCCORP**"), and indirectly, BNCCORP's wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the "**Acquisition**"). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association ("**OppFi Bank**"), and the combination of OppFi's business with the business of BNC National Bank.

OppFi Bank will offer both traditional banking services through a branch-based model, as well as loan products serving a range of customers, many of whom are underserved by the banking industry. The Acquisition satisfies the statutory criteria required to be applied by the Agencies under the Bank Holding Company Act and/or the Bank Merger Act, as applicable, and the corresponding implementing regulations of the Agencies. Further, OppFi has a strong culture of legal compliance, and seeks to satisfy all applicable legal requirements across its business. The sections that follow in this letter respond to key points raised in New Economy Project, Genesee Co-Op Federal Credit Union, and the Lower East Side People's Federal Credit Union's comment on the Applications.

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III explains that OppFi

prioritizes positive customer outcomes and the responsible resolution of regulatory matters. Part IV demonstrates that approving the Applications would not negatively impact vulnerable groups. Part V explains that, given the substantial information provided by the Applications and the comment process, additional procedural accommodations are unnecessary. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

I. OppFi's mission is to facilitate transparent, simple, and more affordable credit access to Americans who lack traditional options.

Banks and credit unions have moved away from serving the 48+ million consumers with damaged credit. As a result, most individuals with damaged credit are often left without traditional options when they need access to credit. OppFi facilitates loans for these borrowers, in a way that is transparent, simple, and more affordable than other non-traditional credit alternatives. The short-term, small-dollar loan products that OppFi facilitates are underwritten by OppFi's bank partners to ensure the ability of borrowers to repay in a timely fashion.

OppFi prides itself on facilitating loan products that help customers manage everyday financial needs and which help consumers build their credit history. Unlike other short-term, small dollar loan products, OppFi does not impose application fees, origination fees, late fees, non-sufficient funds ("NSF") fees, or prepayment penalties. The loans OppFi facilitates are transparent, amortizing, and do not carry balloon (or similar) payments. OppFi seeks to ensure that these terms are relatively simple to understand. In the absence of loan products like those facilitated by OppFi, consumers would be forced to turn to alternatives such as payday lenders, pawn shops, and tribal lenders. These providers charge extremely high interest rates, generally more than twice the rates that OppFi loans offer, impose exorbitant fees and penalties, and offer opaque terms.

The interest rates charged on the loans that OppFi facilitates reflect the fixed costs of underwriting, compliance, and servicing for such loans, and are calibrated to the repayment risk associated with such products. Importantly, these fixed costs reflect the underlying operations necessary to engage in this business, and do not scale down with the size of the loan. As a result, the interest rates associated with these loans (measured as a standardized annual percentage rate ("APR")) may be higher than those offered by banks and credit unions for conventional loan products. However, a loan product that has a higher APR is not inherently "unfair" or "predatory," nor is it inherently undesirable for a consumer who is unable to obtain needed credit from traditional sources. As comment letters submitted by OppFi customers to the OCC indicate, the loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.¹

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("PLPA"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant

¹ See, e.g., Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Softcheck Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0005>, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Davis Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0008>.

negative consequences for nonprime borrowers.² Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, “including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off.”³ This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.⁴ This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

When working Americans facing short-term financial hardships are unable to obtain credit from a traditional bank or credit union, their challenges do not simply go away. Without credit, a person may face serious financial consequences, such as the loss of a car, job, or home, and related emotional and personal distress. OppFi’s products are often a bridge that help people make it through those life challenges more fairly, transparently, and affordably than realistic alternatives. To compare OppFi’s products to conventional alternatives that are often unavailable to OppFi’s borrowers, while willfully ignoring the alternative products that are available, does not serve the interests of everyday working Americans.

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides free access to the Zogo financial literacy app⁵ and partners with SpringFour⁶ to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.⁷

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR

² J. Brandon Bolen, Gregory Ellichausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), <https://dx.doi.org/10.2139/ssrn.4315919>. See also Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), <https://doi.org/10.59576/sr.1173>.

³ See Bolen, Ellichausen & Miller.

⁴ See *id.*

⁵ See Letter from Ben Brooks, President, Zogo Inc. to the Office of the Comptroller of the Currency (Aug. 3, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0020>.

⁶ See Letter from Rochelle Gorey, CEO & Founder, SpringFour to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0018>.

⁷ 2025 Social Impact Report, OppFi Inc., <https://www.oppfi.com/wp-content/uploads/OppFi-2025-Social-Impact-Report.pdf>.

does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration⁸ of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

OppFi's refinancing activity likewise should not be viewed as reflecting adversely on its lending practices. Unlike other lenders, OppFi does not charge fees to either prepay or refinance loans, so there is no additional cost to a consumer when a loan is refinanced. It also verifies a consumer's good standing and ability to repay prior to considering any refinance application. Borrowers cannot refinance if they are not paying their current loan and cannot have more than one loan at a time. In other words, a refinance is not used to get a customer out of trouble or force them into a "debt trap," but is an extension of additional credit to qualified customers that are in good standing. As explained in the FAQs, refinancing in this manner has the effect of reducing customer borrowing costs over a given period of time, relative to a single larger loan of the same duration. OppFi also provides a refinance counter in its customer portal, showing borrowers exactly how many incremental dollars they are receiving, to keep borrowers informed. In this manner, OppFi seeks to ensure that its customers are fully informed regarding financial decision-making, and to facilitate responsible availability of credit for such customers.

II. OppFi complies, and will continue to comply, with applicable law regarding interest rates.

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,⁹ including in California where a court recently ruled in favor of OppFi.¹⁰ Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

Approving the Applications would bring OppFi's lending activities wholly within the federal regulatory perimeter under the auspices of OppFi Bank. Such activities would, as a result,

⁸ As measured by the weighted-average life of such loans.

⁹ See Letter from Professor Tom Miller Jr., Mississippi State University and Professor Todd Zywicki, George Mason University, to Hon. Jonathan Gould, Office of the Comptroller of the Currency, Hon. Kevin Warsh, Board of Governors of the Federal Reserve System, Hon. Travis Hill, Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0011>.

¹⁰ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026). The California Department of Financial Protection and Innovation ("DFPI") has filed a notice of appeal.

become subject to comprehensive supervision, regulation, and examination by the responsible federal banking agencies. This would have the effect of increasing, not decreasing, the ability of the federal banking agencies to ensure OppFi and OppFi Bank remain accountable for their compliance with these laws. Historically, the commenters have raised concerns about the bank partnership model because it was not conducted directly under the auspices of a bank; now that OppFi is seeking to move all of its operations wholly within a bank, they conveniently find concern with that model, as well.

Upon approval of the Applications, OppFi will become subject to consolidated supervision by the Federal Reserve as a bank holding company, OppFi Bank will remain subject to supervision by the OCC, and both will continue to operate in compliance with all applicable laws, including relevant consumer protection laws. This includes the legal framework authorizing national banks to charge the interest rates permitted in their home states.¹¹ Being able to charge home state rates is the framework that *Congress* chose to apply to banks generally.

Congress also determined the statutory criteria that the Agencies must apply when determining whether or not to approve an application. Those criteria do not include whether interest rate exportation – a legal principle that Congress authorized – is desired by persons commenting on the application, or even by the Agencies themselves. Congress has repeatedly declined to impose a nationwide cap on APRs for loans (outside of a few limited circumstances) and explicitly forbid the CFPB from instituting a rate cap. By suggesting that the Agencies reject the Applications on this basis, the commenters are effectively asking the Agencies to use the approval process to change the law from what Congress enacted. When the letter objects to the application of the statutory framework authorizing interest rate exportation, we respectfully submit that these concerns are more appropriately addressed by Congress. They cannot be resolved in individual application proceedings where the Agencies are required to apply statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted in a manner that is consistent with what federal law authorizes.

III. OppFi's record reflects positive customer outcomes and responsible resolutions of regulatory matters.

OppFi takes seriously all regulatory inquiries and consumer complaints. OppFi devotes, and OppFi Bank would continue to devote, considerable resources to the prevention and resolution of consumer issues with OppFi Bank's loan products. OppFi's customer complaint function relies on well-trained, professional employees, operating a robust technical infrastructure, to listen to and address customer concerns in a timely fashion, consistent with applicable law. Like other financial services companies serving a large customer base, OppFi receives consumer complaints from time to time, and some of those complaints are shared by consumers with regulators (including the Consumer Financial Protection Bureau's complaint database). However, reviewing a sample of those complaints, without also considering the significant proportion of OppFi's customers that are satisfied with their borrowing experience, deliberately distorts the public's perception of OppFi's business.

¹¹ 12 U.S.C. § 85. *See also* 12 U.S.C. § 1831d (granting the same authority to state-chartered banks).

Indeed, measures of customer satisfaction that seek feedback from both satisfied and unsatisfied customers reflect general satisfaction with the products that OppFi offers. OppFi has earned a 74 net promoter score from customers so far in 2026.¹² Net promoter score is a measure of the likelihood that a customer would recommend a company, product, or a service to a friend or colleague, based upon customer surveys. OppFi's net promoter score for this period is among the leading figures in the financial industry. OppFi also maintains a 4.7 star average on over 12,000 reviews on Google, and a 4.4 star average on over 5,000 reviews on TrustPilot. This suggests that customer experiences with OppFi are broadly positive.

Customer utilization of OppFi products also suggests strong satisfaction. For example, since mid-2021, approximately 1 out of every 4 OppFi customers pay their loan off in full and then return at a later point in time to obtain a new loan facilitated by OppFi. If these customers were not satisfied, they would presumably use a different lender.

Customer satisfaction with products OppFi facilitates is also supported in the regulatory record associated with the Applications. As of the date of this letter, the OCC has received a number of comments from the public, discussing the ways in which the loan products OppFi facilitates have meaningfully improved the financial lives of customers who were unable to access credit from banks or credit unions with which they already had business relationships.¹³ Those customers acknowledge the straightforward and transparent nature of OppFi's process, the ready availability of funds, and the importance of having a lender in the marketplace that is able to assist customers when they need a loan, including customers that have less-than-perfect credit ratings.

As such, while OppFi takes all customer complaints seriously, the fact that complaints exist (as they do with any financial services company) is not inherently a reason to disfavor the Applications. Instead, such complaints must be considered in the broader context of OppFi's overall customer satisfaction, which shows that a considerable majority of customers are satisfied with their experience using loan products OppFi facilitates.

OppFi's record also reflects a responsible approach to resolving regulatory matters. Where possible, OppFi has sought to work with regulators to address issues in a cooperative manner.¹⁴ Where such an approach was not possible, or would be materially inconsistent with OppFi's business interests, OppFi has elected to pursue available legal remedies to vindicate its interests (as any business would do). Of particular note, in 2022, the California DFPI alleged that OppFi, rather than its bank partner, was the "true lender" with respect to the loans that such lenders originate. In May 2026, a California state court rejected those claims, finding that OppFi's bank

¹² OppFi follows standard market practices for obtaining and measuring net promoter scores.

¹³ See, e.g., Softcheck Comment, Davis Comment, Comment from Adnan Khafeef to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Khafeef Comment**"), <https://www.regulations.gov/comment/OCC-2026-0727-0004>, Comment from Kim Smith to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Smith Comment**"), <https://www.regulations.gov/comment/OCC-2026-0727-0009>.

¹⁴ In 2021, OppFi entered into a consent order with the Office of the Attorney General for the District of Columbia (DCAG) to resolve an enforcement action relating to the District of Columbia Consumer Protection Act. While agreeing to certain terms with the DCAG, OppFi denied all allegations made under the consent order, and remains in compliance with the order's terms. Also in 2021, OppFi received a notification from the staff of the Consumer Financial Protection Bureau that the regulator had concluded an investigation into whether OppFi's lending practices violated the Military Lending Act, and would not be recommending an enforcement action against the company.

partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards.¹⁵ As such, the interest rates that may be charged on those loans at origination by OppFi's bank partner remain valid if those loans are later sold or transferred under the long-standing "valid-when-made" doctrine. The DFPI has filed a notice of appeal. However, OppFi remains confident that both its existing business model of working with bank partners that originate loans, as well as its proposed business model of originating loans directly through OppFi Bank, are consistent with clearly established legal principles permitting banks to rely upon the interest rate limitations of their home state, consistent with federal law.

IV. Approval of the Applications will not negatively impact vulnerable groups.

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.¹⁶ Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

Denial of the Applications would not solve the financial problems affecting vulnerable and disadvantaged groups. Those problems are not a byproduct of the loan products OppFi facilitates, but rather, a consequence of the historical manner in which the American economy is structured. Indeed, denying the Applications could well have the opposite effect from what the commenters intend, by reducing the availability of credit specifically offered to individuals in vulnerable and disadvantaged groups, and by making such groups more dependent upon offerings outside of the regulated financial services space. Many of the other lenders to which such individuals may turn do not provide the transparent disclosures, clear terms, and other community-oriented services that OppFi prides itself on providing. For more information regarding such terms and services, please see the section of this letter titled "OppFi's mission is to facilitate safe, simple, and more affordable credit access to Americans who lack traditional options."

V. The Application and the comment process have provided sufficient information, rendering additional procedural accommodations unnecessary.

Several commenters have asked the Agencies to take additional procedural steps, namely, extending the comment period associated with the Applications, or holding a public hearing in connection with the relevant Agency's review of the Applications.¹⁷ We respectfully submit that no additional procedural steps are necessary for the Agencies to fully evaluate the Applications,

¹⁵ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026).

¹⁶ See, e.g., Softcheck Comment, Davis Comment.

¹⁷ With respect to the Application under consideration by the Board of Governors of the Federal Reserve System, certain letters also request consideration by the full Board of Governors.

as the standard comment period and application process has generated a substantial and growing public record that is sufficient for such purpose.

Each of the Agencies applies a similar standard in determining whether to grant a public hearing in connection with a pending application. The FDIC generally grants a hearing request only if it determines that written submissions would be insufficient or that a hearing otherwise would be in the public interest.¹⁸ The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decision-making process, and the OCC may order a hearing if it concludes that a hearing would be in the public interest.¹⁹ Requests to the Fed for a hearing must, among other things, explain why a written presentation would not suffice in lieu of a hearing, identify specifically any questions of fact that are in dispute and summarize the evidence that would be presented at a hearing.²⁰

The commenters' requests do not demonstrate that the length of the comment period is inadequate, that the written submissions are insufficient, or that uniquely with respect to these Applications, a hearing would be in the public interest. OppFi has provided substantial information to the Agencies and to the public as part of the Applications, demonstrating that the Acquisition satisfies the applicable statutory criteria for each relevant Agency. The number of comments and the level of detail they include demonstrates that the Applications have included sufficient information for the commenters to evaluate the Applications, such that the Agencies may take their opinions into consideration. Finally, the holding of a public hearing would not be in the public interest, as doing so would not enhance the public record or Agency consideration of the Applications in a manner distinct from other regulatory applications with respect to which the Agencies determined that a hearing was not necessary.

Therefore, the commenters fail to demonstrate that written submissions, provided during the ordinary comment period, would be insufficient for the Agencies to assess the Applications in light of the applicable statutory criteria, or would otherwise uniquely serve the public interest in a manner distinct from Applications where a hearing was not granted.

* * * * *

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

Todd Schwartz
Chief Executive Officer

/s/ Marv Gurevich

Marv Gurevich
General Counsel

cc: Distribution List

¹⁸ 12 C.F.R. § 303.10.

¹⁹ 12 C.F.R. § 5.11.

²⁰ 12 C.F.R. § 262.3(e).

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APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

The Vital Role Played by Operators like OppFi to Fill Gaps in the Financial Landscape and Ensure Banking Access for All Americans

July 2026

This FAQ compiles publicly available research, government data, and OppFi's own reported metrics to answer common questions about the economics of small-dollar lending, the effects of state interest rate caps, and OppFi's pending application to become a bank holding company through its proposed acquisition of BNC National Bank.

What is OppFi, and what is its mission?

OppFi is a tech-enabled digital finance platform that partners with banks to offer financial products and services to everyday Americans. Established in 2012 by CEO and Founder Todd Schwartz, OppFi has facilitated over 9 billion dollars in credit to over 1.7 million customers. OppFi's mission is to facilitate safe, simple, and more affordable credit access to the 48 million Americans who currently lack traditional options while rebuilding their financial health.

The Economics of Small-Dollar Credit

Why do small-dollar loans carry higher APRs than larger, longer-term loans?

The fixed costs of underwriting, originating, servicing, and collecting a loan do not scale down with the size of the loan. Federal Reserve Board research (Chen and Elliehausen, 2020) finds that when these largely fixed costs are spread over a small principal balance, the resulting annual percentage rate rises accordingly. The study estimates a break-even APR of approximately 103.5% for a \$594 installment loan — the rate required to cover underwriting, compliance, servicing, and expected credit losses, with no profit margin built in. This is due to the low dollar amount and the short term of the loan. JPMorgan Chase CEO Jamie Dimon has made the same point about the broader banking industry, stating it is “impossible to do loans like that and make a profit” if rates are capped at 36%.

Is APR an appropriate way to measure the cost of a short-term, small-dollar loan?

The Truth in Lending Act's APR disclosure was built primarily around loans repaid over a year or more, such as mortgages and auto loans. Federal Reserve Board economists Thomas Durkin and Gregory Elliehausen observed in a 2013 paper that while TILA's uniform APR disclosure clarified costs for complex, long-duration credit, it has “complicated disclosures” for simple, short-term products. The Consumer Financial Protection Bureau's own 2021 Taskforce on Federal Consumer Financial Law reached a similar conclusion, noting that a lower APR is not automatically the better deal once duration and total dollar cost are taken into account.

What happens to credit access when a state imposes an interest rate cap on small-dollar loans?

Illinois offers a recent, measured example. When the state imposed a 36% all-in APR cap in March 2021, researchers found that loans to subprime borrowers in Illinois fell 44% within a year of the cap taking effect, while the average loan size to remaining subprime borrowers rose 40% (Bolen, Elliehausen & Miller, 2022). This reduction in credit access produces a clear negative impact on financial health outcomes: in a survey of affected borrowers, 39% reported that their financial well-being had declined since the cap, versus 11% who reported improvement, and 79% said they would like the option to return to their previous lender.

Do banks and credit unions currently serve this segment of borrowers?

Rarely. Banks and credit unions have largely exited small-dollar lending because the fixed costs of underwriting and servicing a small loan make it unprofitable at the rates most proposals contemplate (Servon, 2017). The Federal Reserve Bank of New York study cited above found that when the riskiest borrowers lost access to small-dollar credit under a rate cap, they did not shift to banks or credit unions — even though those institutions were explicitly exempt from the caps. In fact, 40% of OppFi’s own customers hold a checking or savings account at a large national bank or a credit union — institutions that already hold their deposits — and still seek installment credit elsewhere.

If small-dollar lending isn’t available through a regulated channel due to rate caps, does the underlying need for credit disappear?

No. An estimated 48 million Americans live in underbanked households and periodically need credit outside conventional bank underwriting models (FDIC, 2023 National Survey of Unbanked and Underbanked Households). When regulated lenders exit a market because a rate cap makes the product unprofitable to offer, that demand does not go away — it shifts to less-regulated or unregulated alternatives, including payday lenders, tribal lenders, and offshore online lenders operating with less examination, less transparency, and fewer consumer protections than a chartered, supervised bank.

OppFi’s Product and Consumer Protections

How does OppFi make sure a customer isn’t paying more than necessary?

OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. In 2025, TurnUp matched 14.5% of total eligible applicants with a potential partner offer, but just 1.2% of eligible applicants ultimately qualified after applying and accepted a lower-rate loan through the program (OppFi 2025 Social Impact Report). The remaining 98.8% did not have a lower-cost option available to them within that partner network, demonstrating the need for loans facilitated by OppFi.

What does an OppFi loan cost beyond interest?

OppFi never charges any application fees, origination fees, late fees, NSF fees, or prepayment penalties. Loans facilitated by OppFi are transparent, amortizing, and with no balloon payments.

What happens if a borrower experiences hardship and can’t make a payment?

OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. For example, in 2025, over 26,000 customers enrolled in a hardship program, and 55% of them have repaid their loans.

Does refinancing trap a customer in a cycle of debt?

No, in fact, refinancing is responsible and enables borrowers to lower costs and manage their payments and the amount of debt they take on. For example, a 10-month loan with three refinances would enable a customer to borrow 65% more at a total cost 43% lower relative to a single 24-month loan with the same payments. OppFi verifies the borrower’s good standing and ability to repay prior to facilitating every refinance. No borrower can refinance if they are not paying their current loan, and they can never have more than one loan at a time. A refinance counter is also visible in the customer portal, showing borrowers exactly how many incremental dollars they are receiving, keeping them informed of their options.

Does an OppFi loan help build a customer’s credit over time?

OppFi reports all borrower payments to all three major credit bureaus. OppFi also provides free access to the Zogo financial literacy app and partners with SpringFour to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025 (OppFi 2025 Social Impact Report).

How do customers rate their experience with OppFi?

OppFi has earned a 74 Net Promoter Score from customers so far in 2026, one of the leading figures in the financial industry. Servicing consistently measures highly with a CSAT score above 90%, and OppFi

maintains a 4.7 star average on over 12,000 reviews on Google and a 4.4 star average on over 5,000 reviews on TrustPilot.

Reading the Loss Data Correctly

Why do OppFi's charge-off rates look different depending on the source?

The variance in OppFi's reported charge-off rates depends on whether the figure represents a lifetime metric or an annualized metric. The lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for OppFi, indicating that 75% to 80% of **loans** are fully repaid. This is the more important charge-off metric for understanding overall repayment rates for individual loans.

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or $\frac{1}{3}$ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

Is the loan product itself new, or has OppFi been making these loans for years?

OppFi has facilitated the origination of this same installment loan product for 14 years and has helped serve more than 1.7 million customers. The pending application to acquire BNC National Bank does not create a new lending product; it changes the regulatory structure under which an already-operating business would continue.

Would OppFi be more or less regulated as a bank holding company?

More. Approval would subject OppFi to Federal Reserve oversight of the holding company, OCC examination of the national bank subsidiary, FDIC-insured depository standards, full Community Reinvestment Act evaluation and public rating, and the capital, liquidity, and other prudential requirements that apply to chartered banks but do not apply in the same way to OppFi's current non-bank lending structure.

Are OppFi's bank-partnership lending arrangements legally valid?

In May 2026, a California state court reviewed OppFi's bank-partnership arrangements and found that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards. The court applied the long-standing "valid-when-made" doctrine, under which a loan that is not usurious when originated by a validly chartered bank does not become usurious through a later sale or transfer. With that said, OppFi would not need to maintain these bank-partnership arrangements with a national bank charter, which would clarify and simplify its regulatory structure and oversight.

Does small-dollar lending count toward community reinvestment obligations?

The Community Reinvestment Act requires evaluation of whether a bank meets the credit needs of the communities it serves, including low- and moderate-income communities. OppFi's customer base includes many borrowers who have already been turned away by conventional underwriting models. If OppFi conducted business through a national bank, that bank's lending and community development activities would be subject to formal CRA examination and assigned a public rating — a level of accountability that does not apply under its current non-bank structure.

How does this merger benefit customers?

Combining with BNC Bank will expand OppFi's ability to deliver a comprehensive suite of financial products in more states, including Small Business Administration (SBA) lending, secured consumer lending, and wealth management. Access to BNC's stable, low-cost deposit base will provide diversified funding opportunities and lower funding costs, which we expect will be reflected in lower prices for

customers over time. Leveraging OppFi's machine learning and analytics will allow BNC to serve more individuals and communities with convenient, transparent banking services. This merger will maximize the strengths of two mission-aligned companies to expand financial inclusion for underserved Americans and small businesses.

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August 24, 2026

Via Electronic Delivery

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
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230 South LaSalle Street
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Re: Response to Comment from Mid-Minnesota Legal Aid/Legal Services Advocacy Project Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Mr. Koopmans:

OppFi Inc. (“**OppFi**”) appreciates the opportunity to respond to the letter filed by Mr. Ron Elwood of Mid-Minnesota Legal Aid/Legal Services Advocacy Project, concerning the applications submitted on June 27, 2026 (the “**Applications**”) to the Board of Governors of the Federal Reserve System (“**Board**”) and Federal Reserve Bank of Chicago (“**Reserve Bank**,” and together with the Board, the “**Federal Reserve**”), the Office of the Comptroller of the Currency (“**OCC**”), and the Federal Deposit Insurance Corporation (“**FDIC**,” and together with the Federal Reserve and OCC, the “**Agencies**”) to acquire BNCCORP, INC. (“**BNCCORP**”), and indirectly, BNCCORP’s wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the “**Acquisition**”). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association (“**OppFi Bank**”), and the combination of OppFi’s business with the business of BNC National Bank. We are also in receipt of the materially identical letter submitted by Mid-Minnesota Legal Aid/Legal Services Advocacy Project to the FDIC, and we sent a response letter to the FDIC in substantially the same form on August 11, 2026.

OppFi Bank will offer both traditional banking services through a branch-based model, as well as loan products serving a range of customers, many of whom are underserved by the banking industry. The Acquisition satisfies the statutory criteria required to be applied by the Agencies under the Bank Holding Company Act and/or the Bank Merger Act, as applicable, and the corresponding implementing regulations of the Agencies. Further, OppFi has a strong culture of legal compliance, and seeks to satisfy all applicable legal requirements across its business. The sections that follow in this letter respond to key points raised in Mid-Minnesota Legal Aid/Legal Services Advocacy Project’s comment on the Applications.

Part I of this letter discusses how OppFi’s lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi’s compliance with applicable interest

rate laws, and the relevance of such issues to the Applications. Part III demonstrates that approving the Applications would not negatively impact vulnerable groups. Additionally, please see [Appendix 1](#) for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

I. OppFi's mission is to facilitate transparent, simple, and more affordable credit access to Americans who lack traditional options.

Banks and credit unions have moved away from serving the 48+ million consumers with damaged credit. As a result, most individuals with damaged credit are often left without traditional options when they need access to credit. OppFi facilitates loans for these borrowers, in a way that is transparent, simple, and more affordable than other non-traditional credit alternatives. The short-term, small-dollar loan products that OppFi facilitates are underwritten by OppFi's bank partners to ensure the ability of borrowers to repay in a timely fashion.

OppFi prides itself on facilitating loan products that help customers manage everyday financial needs and which help consumers build their credit history. Unlike other short-term, small dollar loan products, OppFi does not impose application fees, origination fees, late fees, non-sufficient funds ("NSF") fees, or prepayment penalties. The loans OppFi facilitates are transparent, amortizing, and do not carry balloon (or similar) payments. OppFi seeks to ensure that these terms are relatively simple to understand. In the absence of loan products like those facilitated by OppFi, consumers would be forced to turn to alternatives such as payday lenders, pawn shops, and tribal lenders. These providers charge extremely high interest rates, generally more than twice the rates that OppFi loans offer, impose exorbitant fees and penalties, and offer opaque terms.

The interest rates charged on the loans that OppFi facilitates reflect the fixed costs of underwriting, compliance, and servicing for such loans, and are calibrated to the repayment risk associated with such products. Importantly, these fixed costs reflect the underlying operations necessary to engage in this business, and do not scale down with the size of the loan. As a result, the interest rates associated with these loans (measured as a standardized annual percentage rate ("APR")) may be higher than those offered by banks and credit unions for conventional loan products. However, a loan product that has a higher APR is not inherently "unfair" or "predatory," nor is it inherently undesirable for a consumer who is unable to obtain needed credit from traditional sources. As comment letters submitted by OppFi customers to the OCC indicate, the loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.¹

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("PLPA"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant

¹ See, e.g., Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Softcheck Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0005>, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("Davis Comment"), <https://www.regulations.gov/comment/OCC-2026-0727-0008>.

negative consequences for nonprime borrowers.² Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, “including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off.”³ This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.⁴ This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

When working Americans facing short-term financial hardships are unable to obtain credit from a traditional bank or credit union, their challenges do not simply go away. Without credit, a person may face serious financial consequences, such as the loss of a car, job, or home, and related emotional and personal distress. OppFi’s products are often a bridge that help people make it through those life challenges more fairly, transparently, and affordably than realistic alternatives. To compare OppFi’s products to conventional alternatives that are often unavailable to OppFi’s borrowers, while willfully ignoring the alternative products that are available, does not serve the interests of everyday working Americans.

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides free access to the Zogo financial literacy app⁵ and partners with SpringFour⁶ to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.⁷

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR

² J. Brandon Bolen, Gregory Ellichausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), <https://dx.doi.org/10.2139/ssrn.4315919>. See also Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), <https://doi.org/10.59576/sr.1173>.

³ See Bolen, Ellichausen & Miller.

⁴ See *id.*

⁵ See Letter from Ben Brooks, President, Zogo Inc. to the Office of the Comptroller of the Currency (Aug. 3, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0020>.

⁶ See Letter from Rochelle Gorey, CEO & Founder, SpringFour to the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0018>.

⁷ 2025 Social Impact Report, OppFi Inc., <https://www.oppfi.com/wp-content/uploads/OppFi-2025-Social-Impact-Report.pdf>.

does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration⁸ of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

OppFi's refinancing activity likewise should not be viewed as reflecting adversely on its lending practices. Unlike other lenders, OppFi does not charge fees to either prepay or refinance loans, so there is no additional cost to a consumer when a loan is refinanced. It also verifies a consumer's good standing and ability to repay prior to considering any refinance application. Borrowers cannot refinance if they are not paying their current loan and cannot have more than one loan at a time. In other words, a refinance is not used to get a customer out of trouble or force them into a "debt trap," but is an extension of additional credit to qualified customers that are in good standing. As explained in the FAQs, refinancing in this manner has the effect of reducing customer borrowing costs over a given period of time, relative to a single larger loan of the same duration. OppFi also provides a refinance counter in its customer portal, showing borrowers exactly how many incremental dollars they are receiving, to keep borrowers informed. In this manner, OppFi seeks to ensure that its customers are fully informed regarding financial decision-making, and to facilitate responsible availability of credit for such customers.

II. OppFi complies, and will continue to comply, with applicable law regarding interest rates.

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,⁹ including in California where a court recently ruled in favor of OppFi.¹⁰ Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

Approving the Applications would bring OppFi's lending activities wholly within the federal regulatory perimeter under the auspices of OppFi Bank. Such activities would, as a result,

⁸ As measured by the weighted-average life of such loans.

⁹ See Letter from Professor Tom Miller Jr., Mississippi State University and Professor Todd Zywicki, George Mason University, to Hon. Jonathan Gould, Office of the Comptroller of the Currency, Hon. Kevin Warsh, Board of Governors of the Federal Reserve System, Hon. Travis Hill, Federal Deposit Insurance Corporation (Jul. 28, 2026), <https://www.regulations.gov/comment/OCC-2026-0727-0011>.

¹⁰ *Opportunity Fin., LLC v. Hewlett*, No. 22STCV08163 (L.A. Cnty. Sup. Ct. May 19, 2026). The California Department of Financial Protection and Innovation ("DFPI") has filed a notice of appeal.

become subject to comprehensive supervision, regulation, and examination by the responsible federal banking agencies. This would have the effect of increasing, not decreasing, the ability of the federal banking agencies to ensure OppFi and OppFi Bank remain accountable for their compliance with these laws. Historically, the commenters have raised concerns about the bank partnership model because it was not conducted directly under the auspices of a bank; now that OppFi is seeking to move all of its operations wholly within a bank, they conveniently find concern with that model, as well.

Upon approval of the Applications, OppFi will become subject to consolidated supervision by the Federal Reserve as a bank holding company, OppFi Bank will remain subject to supervision by the OCC, and both will continue to operate in compliance with all applicable laws, including relevant consumer protection laws. This includes the legal framework authorizing national banks to charge the interest rates permitted in their home states.¹¹ Being able to charge home state rates is the framework that *Congress* chose to apply to banks generally.

Congress also determined the statutory criteria that the Agencies must apply when determining whether or not to approve an application. Those criteria do not include whether interest rate exportation – a legal principle that Congress authorized – is desired by persons commenting on the application, or even by the Agencies themselves. Congress has repeatedly declined to impose a nationwide cap on APRs for loans (outside of a few limited circumstances) and explicitly forbid the CFPB from instituting a rate cap. By suggesting that the Agencies reject the Applications on this basis, the commenters are effectively asking the Agencies to use the approval process to change the law from what Congress enacted. When the letter objects to the application of the statutory framework authorizing interest rate exportation, we respectfully submit that these concerns are more appropriately addressed by Congress. They cannot be resolved in individual application proceedings where the Agencies are required to apply statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted in a manner that is consistent with what federal law authorizes.

III. Approval of the Applications will not negatively impact vulnerable groups.

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.¹² Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

Denial of the Applications would not solve the financial problems affecting vulnerable and disadvantaged groups. Those problems are not a byproduct of the loan products OppFi facilitates,

¹¹ 12 U.S.C. § 85. *See also* 12 U.S.C. § 1831d (granting the same authority to state-chartered banks).

¹² *See, e.g.,* Softcheck Comment, Davis Comment.

but rather, a consequence of the historical manner in which the American economy is structured. Indeed, denying the Applications could well have the opposite effect from what the commenters intend, by reducing the availability of credit specifically offered to individuals in vulnerable and disadvantaged groups, and by making such groups more dependent upon offerings outside of the regulated financial services space. Many of the other lenders to which such individuals may turn do not provide the transparent disclosures, clear terms, and other community-oriented services that OppFi prides itself on providing. For more information regarding such terms and services, please see the section of this letter titled “OppFi’s mission is to facilitate safe, simple, and more affordable credit access to Americans who lack traditional options.”

* * * * *

Thank you for the opportunity to respond to this comment letter.

Very truly yours,

/s/ Todd Schwartz

/s/ Marv Gurevich

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APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

The Vital Role Played by Operators like OppFi to Fill Gaps in the Financial Landscape and Ensure Banking Access for All Americans

July 2026

This FAQ compiles publicly available research, government data, and OppFi's own reported metrics to answer common questions about the economics of small-dollar lending, the effects of state interest rate caps, and OppFi's pending application to become a bank holding company through its proposed acquisition of BNC National Bank.

What is OppFi, and what is its mission?

OppFi is a tech-enabled digital finance platform that partners with banks to offer financial products and services to everyday Americans. Established in 2012 by CEO and Founder Todd Schwartz, OppFi has facilitated over 9 billion dollars in credit to over 1.7 million customers. OppFi's mission is to facilitate safe, simple, and more affordable credit access to the 48 million Americans who currently lack traditional options while rebuilding their financial health.

The Economics of Small-Dollar Credit

Why do small-dollar loans carry higher APRs than larger, longer-term loans?

The fixed costs of underwriting, originating, servicing, and collecting a loan do not scale down with the size of the loan. Federal Reserve Board research (Chen and Elliehausen, 2020) finds that when these largely fixed costs are spread over a small principal balance, the resulting annual percentage rate rises accordingly. The study estimates a break-even APR of approximately 103.5% for a \$594 installment loan — the rate required to cover underwriting, compliance, servicing, and expected credit losses, with no profit margin built in. This is due to the low dollar amount and the short term of the loan. JPMorgan Chase CEO Jamie Dimon has made the same point about the broader banking industry, stating it is “impossible to do loans like that and make a profit” if rates are capped at 36%.

Is APR an appropriate way to measure the cost of a short-term, small-dollar loan?

The Truth in Lending Act's APR disclosure was built primarily around loans repaid over a year or more, such as mortgages and auto loans. Federal Reserve Board economists Thomas Durkin and Gregory Elliehausen observed in a 2013 paper that while TILA's uniform APR disclosure clarified costs for complex, long-duration credit, it has “complicated disclosures” for simple, short-term products. The Consumer Financial Protection Bureau's own 2021 Taskforce on Federal Consumer Financial Law reached a similar conclusion, noting that a lower APR is not automatically the better deal once duration and total dollar cost are taken into account.

What happens to credit access when a state imposes an interest rate cap on small-dollar loans?

Illinois offers a recent, measured example. When the state imposed a 36% all-in APR cap in March 2021, researchers found that loans to subprime borrowers in Illinois fell 44% within a year of the cap taking effect, while the average loan size to remaining subprime borrowers rose 40% (Bolen, Elliehausen & Miller, 2022). This reduction in credit access produces a clear negative impact on financial health outcomes: in a survey of affected borrowers, 39% reported that their financial well-being had declined since the cap, versus 11% who reported improvement, and 79% said they would like the option to return to their previous lender.

Do banks and credit unions currently serve this segment of borrowers?

Rarely. Banks and credit unions have largely exited small-dollar lending because the fixed costs of underwriting and servicing a small loan make it unprofitable at the rates most proposals contemplate (Servon, 2017). The Federal Reserve Bank of New York study cited above found that when the riskiest borrowers lost access to small-dollar credit under a rate cap, they did not shift to banks or credit unions — even though those institutions were explicitly exempt from the caps. In fact, 40% of OppFi’s own customers hold a checking or savings account at a large national bank or a credit union — institutions that already hold their deposits — and still seek installment credit elsewhere.

If small-dollar lending isn’t available through a regulated channel due to rate caps, does the underlying need for credit disappear?

No. An estimated 48 million Americans live in underbanked households and periodically need credit outside conventional bank underwriting models (FDIC, 2023 National Survey of Unbanked and Underbanked Households). When regulated lenders exit a market because a rate cap makes the product unprofitable to offer, that demand does not go away — it shifts to less-regulated or unregulated alternatives, including payday lenders, tribal lenders, and offshore online lenders operating with less examination, less transparency, and fewer consumer protections than a chartered, supervised bank.

OppFi’s Product and Consumer Protections

How does OppFi make sure a customer isn’t paying more than necessary?

OppFi’s TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. In 2025, TurnUp matched 14.5% of total eligible applicants with a potential partner offer, but just 1.2% of eligible applicants ultimately qualified after applying and accepted a lower-rate loan through the program (OppFi 2025 Social Impact Report). The remaining 98.8% did not have a lower-cost option available to them within that partner network, demonstrating the need for loans facilitated by OppFi.

What does an OppFi loan cost beyond interest?

OppFi never charges any application fees, origination fees, late fees, NSF fees, or prepayment penalties. Loans facilitated by OppFi are transparent, amortizing, and with no balloon payments.

What happens if a borrower experiences hardship and can’t make a payment?

OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. For example, in 2025, over 26,000 customers enrolled in a hardship program, and 55% of them have repaid their loans.

Does refinancing trap a customer in a cycle of debt?

No, in fact, refinancing is responsible and enables borrowers to lower costs and manage their payments and the amount of debt they take on. For example, a 10-month loan with three refinances would enable a customer to borrow 65% more at a total cost 43% lower relative to a single 24-month loan with the same payments. OppFi verifies the borrower’s good standing and ability to repay prior to facilitating every refinance. No borrower can refinance if they are not paying their current loan, and they can never have more than one loan at a time. A refinance counter is also visible in the customer portal, showing borrowers exactly how many incremental dollars they are receiving, keeping them informed of their options.

Does an OppFi loan help build a customer’s credit over time?

OppFi reports all borrower payments to all three major credit bureaus. OppFi also provides free access to the Zogo financial literacy app and partners with SpringFour to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025 (OppFi 2025 Social Impact Report).

How do customers rate their experience with OppFi?

OppFi has earned a 74 Net Promoter Score from customers so far in 2026, one of the leading figures in the financial industry. Servicing consistently measures highly with a CSAT score above 90%, and OppFi

maintains a 4.7 star average on over 12,000 reviews on Google and a 4.4 star average on over 5,000 reviews on TrustPilot.

Reading the Loss Data Correctly

Why do OppFi's charge-off rates look different depending on the source?

The variance in OppFi's reported charge-off rates depends on whether the figure represents a lifetime metric or an annualized metric. The lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for OppFi, indicating that 75% to 80% of **loans** are fully repaid. This is the more important charge-off metric for understanding overall repayment rates for individual loans.

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or $\frac{1}{3}$ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

Is the loan product itself new, or has OppFi been making these loans for years?

OppFi has facilitated the origination of this same installment loan product for 14 years and has helped serve more than 1.7 million customers. The pending application to acquire BNC National Bank does not create a new lending product; it changes the regulatory structure under which an already-operating business would continue.

Would OppFi be more or less regulated as a bank holding company?

More. Approval would subject OppFi to Federal Reserve oversight of the holding company, OCC examination of the national bank subsidiary, FDIC-insured depository standards, full Community Reinvestment Act evaluation and public rating, and the capital, liquidity, and other prudential requirements that apply to chartered banks but do not apply in the same way to OppFi's current non-bank lending structure.

Are OppFi's bank-partnership lending arrangements legally valid?

In May 2026, a California state court reviewed OppFi's bank-partnership arrangements and found that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards. The court applied the long-standing "valid-when-made" doctrine, under which a loan that is not usurious when originated by a validly chartered bank does not become usurious through a later sale or transfer. With that said, OppFi would not need to maintain these bank-partnership arrangements with a national bank charter, which would clarify and simplify its regulatory structure and oversight.

Does small-dollar lending count toward community reinvestment obligations?

The Community Reinvestment Act requires evaluation of whether a bank meets the credit needs of the communities it serves, including low- and moderate-income communities. OppFi's customer base includes many borrowers who have already been turned away by conventional underwriting models. If OppFi conducted business through a national bank, that bank's lending and community development activities would be subject to formal CRA examination and assigned a public rating — a level of accountability that does not apply under its current non-bank structure.

How does this merger benefit customers?

Combining with BNC Bank will expand OppFi's ability to deliver a comprehensive suite of financial products in more states, including Small Business Administration (SBA) lending, secured consumer lending, and wealth management. Access to BNC's stable, low-cost deposit base will provide diversified funding opportunities and lower funding costs, which we expect will be reflected in lower prices for

customers over time. Leveraging OppFi's machine learning and analytics will allow BNC to serve more individuals and communities with convenient, transparent banking services. This merger will maximize the strengths of two mission-aligned companies to expand financial inclusion for underserved Americans and small businesses.

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