

**From:** [Thomas Bonan](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Comment Against Enova as a National Bank.  
**Date:** Tuesday, February 17, 2026 2:04:13 PM

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Enova should not be granted a National Bank Charter. They charge extremely high-interest rate loans in states which have clearly have passed laws trying to protect their citizens from such predatory lending. Many of the cases I have done to protect consumers from these loans feature interest rates more than double the cap found in the Military Lending Act.

High interest loans such as this are very detrimental. There is considerable research showing that it can have severe, adverse impacts on people's health:

Specifically, a 2022 study by Soomin Ryu and Lu Fan found that “There is growing evidence that debt and loans are positively associated with psychological distress, as they increase anxiety, distress, and depression levels in individuals (Drentea & Reynolds, [2012](#); French & McKillop, [2017](#); Gunasinghe et al., [2018](#); Hiilamo, [2020](#); Hiilamo & Grundy, [2020](#); Jenkins et al., [2008](#); Meltzer et al., [2013](#); Sun & Houle, [2020](#); Sweet et al., [2013](#)). Usurious debts such as these create a real risk of significant health outcomes. As highlighted in a publication on Psychology Today:

“An analysis of the effects of several macroeconomic variables in Mexico and other Central American countries showed that monetary and credit contraction—operationalized as rising loan interest rates—was associated with an increased likelihood of depression and completion of suicide. A key ingredient in this relationship is hopelessness, which is often the bedrock of depressive and suicidal mindsets. Individuals who feel financially strapped without a plan or ability to improve their financial situation may suffer from greater depressive symptoms, increasing the risk of suicide.”

Here are the links to the studies

<https://www.psychologytoday.com/sg/blog/health-examined/202311/how-loan-interest-rates-influence-suicide-rates>

<https://pmc.ncbi.nlm.nih.gov/articles/PMC8806009/>

The charter should be rejected. They will simply use it to continue this usurious lending.

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January 28, 2026

Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60604

**RE:** Comment on Pending Application – Enova International, Inc. to Become a Bank Holding Company Through Acquisition of Grasshopper Bancorp, Inc.

Dear Members of the Board and Reserve Bank Staff:

I am writing to submit comments regarding Enova International, Inc.'s (NYSE: ENVA) pending application to become a bank holding company through its proposed acquisition of Grasshopper Bancorp, Inc. and its subsidiary Grasshopper Bank N.A. I respectfully request that the Board give careful consideration to serious concerns regarding Enova's financial condition before approving this transaction.

Based on detailed forensic analysis of Enova's public filings, I have identified evidence suggesting that the company's reported financial condition is materially overstated due to aggressive fair value accounting practices and aggressive revenue recognition policies. If accurate, these findings indicate that Enova may lack the financial resources necessary to serve as a source of strength to a depository institution, and that approval of this application could place approximately \$3 billion in insured deposits at risk.

## **EXECUTIVE SUMMARY**

This comment letter presents forensic accounting evidence that Enova International, Inc. may be materially insolvent and therefore unqualified to acquire Grasshopper Bank under the Bank Holding Company Act's "source of strength" requirements. Key findings:

### **Financial Condition (Q1 2022–Q3 2025)**

- Reported cumulative net income of \$821 million consisted of 186% non-cash items
- Adjusted cash-basis result: loss of \$704 million
- Adjusted equity: negative \$334 million (vs. reported positive \$1.28 billion)
- Total debt of \$4.5 billion now exceeds performing loan principal (Q4)
- Independent validation: Deferred tax position (~\$336M) implies ~\$1.6B asset overstatement at 21% rate (Q4)

### **Fair Value Accounting Anomalies**

- Fair value premiums expanded from 7.0% to 21.6% while charge-offs tripled (4.6% to 16.1%)

- This inverse relationship contradicts fundamental DCF valuation principles
- \$943 million in cumulative revenue recognized but never collected in cash

### **Depositor Risk**

- Grasshopper Bank holds ~\$3 billion in insured deposits that would be controlled by an entity that appears unable to serve as a source of strength under 12 U.S.C. § 1831o-1

**Requested Actions:** Enhanced due diligence on fair value methodology; reconciliation of fair value revenue to cash collections; evaluation of adjusted capital adequacy; coordination with SEC on pending matters; capital maintenance conditions if approved. Related complaints filed with SEC Whistleblower Office and PCAOB.

## **I. STATUTORY FRAMEWORK**

Under Section 3 of the Bank Holding Company Act, the Board is required to consider “the financial and managerial resources and future prospects of the company or companies and the banks concerned” in evaluating acquisition applications. 12 U.S.C. § 1842(c)(2). The Board’s Regulation Y further specifies that the Board will consider “the financial condition of the acquiring organization” and “the effect of the transaction on the financial condition of the resulting organization.” 12 C.F.R. § 225.13(b).

Additionally, the “source of strength” doctrine requires that bank holding companies serve as a source of financial and managerial strength to their subsidiary banks. 12 U.S.C. § 1831o-1. A holding company that is itself financially impaired cannot fulfill this obligation.

The concerns detailed below go directly to Enova’s ability to satisfy these statutory requirements.

## **II. SUMMARY OF FINANCIAL CONCERNS**

Enova elected fair value option (FVO) accounting for substantially all loan originations beginning January 1, 2020. Under this method, loans are carried at estimated fair value rather than amortized cost, with all changes in fair value flowing through the income statement as revenue. My analysis of Enova’s quarterly filings from Q1 2022 through Q3 2025 reveals two significant concerns:

**1. Capitalized Fees and Accrued Interest (\$943 million):** Analysis of Enova’s MD&A repayment disclosures compared to cash flow statement collections reveals a persistent gap between amounts recognized as “repaid at fair value” versus actual cash collected. Over 15 quarters, this cumulative gap totals \$943 million—representing revenue recognized at fair value but never collected in cash.

**2. Fair Value Premium (\$668 million):** As of September 30, 2025, Enova’s loan portfolio had a reported fair value of \$5,037 million against outstanding principal of \$4,362 million—a \$668 million (15.3%) premium. This premium has grown from \$86

million in Q4 2021, a 677% increase during a period when credit quality metrics deteriorated significantly.

### Detailed calculation:

Analysis of Enova's MD&A repayment disclosures compared to cash flow statement collections reveals a persistent gap between amounts recognized as 'repaid at fair value' versus actual cash collected. Over the 15 quarters from Q1 2022 through Q3 2025, this cumulative gap totals \$943 million, representing the cumulative amount of capitalized fees and interest that has been recognized as revenue but not collected in cash.

\*\* NOTE: The Q1 2022 value likely includes some amount of rollover from Q4 2021 but the value was not quantified

Detailed reconciliation below:

Source	3/31/2022	6/30/2022	9/30/2022	12/31/2022	3/31/2023	6/30/2023	9/30/2023	12/31/2023	3/31/2024	6/30/2024	9/30/2024	12/31/2024	3/31/2025	6/30/2025	9/30/2025
1 10-Q															
FMV Mark Premium	137,244	148,322	200,671	266,427	292,757	321,304	402,692	460,895	496,000	515,507	541,074	576,000	605,400	632,202	667,952
2 Calculated in line 5															
Realized but Unpaid Revenue (unpaid orig fee)	447,061	472,003	537,350	543,117	621,898	599,199	637,745	679,045	692,727	703,060	796,765	834,993	850,185	877,843	942,819
<b>Total</b>	<b>584,305</b>	<b>620,325</b>	<b>738,021</b>	<b>809,544</b>	<b>914,655</b>	<b>920,503</b>	<b>1,040,437</b>	<b>1,139,940</b>	<b>1,178,727</b>	<b>1,218,567</b>	<b>1,327,839</b>	<b>1,410,993</b>	<b>1,455,585</b>	<b>1,510,045</b>	<b>1,610,771</b>
Periodic change FMV		11,078	52,349	65,756	26,330	28,547	81,388	58,203	25,105	29,507	25,567	34,926	29,400	26,802	35,750
Periodic Change Unpaid Rev		24,942	65,347	5,767	78,781	-22,699	38,546	41,300	13,682	10,333	83,705	48,228	15,192	27,658	64,976
<b>Periodic Change Total</b>		<b>36,020</b>	<b>117,696</b>	<b>71,523</b>	<b>105,111</b>	<b>5,846</b>	<b>119,934</b>	<b>99,503</b>	<b>38,787</b>	<b>39,840</b>	<b>109,272</b>	<b>83,154</b>	<b>44,592</b>	<b>54,460</b>	<b>100,726</b>
3 10-Q															
Repayments MD&A	1,021,908	1,098,839	1,172,424	1,179,542	1,346,716	1,303,478	1,330,849	1,422,910	1,539,943	1,611,823	1,793,258	1,845,531	1,955,828	2,019,279	2,158,498
4 10-Q															
Repayments SCF	574,247	626,836	635,074	686,425	724,818	704,279	693,104	743,865	846,616	908,763	1,006,493	1,010,538	1,105,643	1,141,436	1,215,679
5 (6-5)															
Difference	447,061	472,003	537,350	543,117	621,898	599,199	637,745	679,045	692,727	703,060	796,765	834,993	850,185	877,843	942,819

## III. ADJUSTED FINANCIAL CONDITION

When Enova's reported financials are adjusted for these non-cash items, the picture changes dramatically:

### A. Earnings Quality (Q1 2022 – Q3 2025)

Metric	Amount
Reported Cumulative Net Income	\$821 million
Less: FMV Premium Changes	(\$582 million)
Less: Periodic Unpaid Revenue	(\$943 million)
Adjusted Cash-Basis Result	(\$704 million)

Over 15 quarters, 186% of Enova's reported earnings consisted of non-cash fair value adjustments and revenue recognized but never collected.

Note: This seems to be substantiated by Enova's deferred tax liability position of 295M + 40.9M of Income tax receivables totally ~336M which when divided by a 21% federal tax rate equals ~1.6Bn. (as of 12/31/2025)

## B. Balance Sheet Impact (as of September 30, 2025)

Metric	Reported	Adjusted
Total Equity	\$1,277 million	(\$334 million)
Book Value per Share	\$51.55	(\$13.41)
Debt/Equity Ratio	3.2x	Negative
Total Debt	\$4,107 million	\$4,107 million

On an adjusted basis, Enova appears to have negative equity of approximately \$334 million against \$4.1 billion in debt. If accurate, this would indicate the company is insolvent.

## IV. FAIR VALUE PREMIUM CONCERNS

The expansion of Enova's fair value premium is particularly concerning because it moved in the opposite direction of credit quality:

Consumer Portfolio: Fair value premium expanded from 7.0% to 21.6% (+14.6 percentage points) while net charge-off rates increased from 4.6% to 16.1%.

SMB Portfolio: Fair value premium expanded from a 6.8% discount in Q1 2021 to a 12.5% premium by Q3 2025—a swing of nearly 20 percentage points.

This inverse relationship—rising premiums amid deteriorating credit quality—contradicts fundamental valuation principles. Higher expected losses should reduce, not increase, the present value of expected cash flows. This pattern warrants careful scrutiny by the Board's examiners.

Detailed analysis of Enova's supplemental earnings tables reveals that the dramatic fair value premium expansion occurred entirely under Deloitte & Touche LLP's audit tenure. The timeline is particularly concerning:

Period	Consumer Premium	SMB Premium	Significance
Q1 2021 (Pre-Change)	11.3%	-6.8%	SMB at DISCOUNT
<b>Q2 2021 (Change Qtr)</b>	<b>7.0%</b>	<b>0.4%</b>	<b>PWC → Deloitte</b>
Q3 2021 (Deloitte 1st)	2.7%	4.0%	First full quarter
Q4 2022	12.3%	9.1%	Premium building
Q4 2023	21.4%	11.5%	Continued expansion
Q4 2024	21.4%	11.8%	Premium sustained
<b>Q3 2025 (Current)</b>	<b>21.6%</b>	<b>12.5%</b>	<b>Peak premiums</b>
<b>Change: Q2 2021 → Q3 2025</b>	<b>+14.6 ppts</b>	<b>+12.1 ppts</b>	<b>Under Deloitte</b>

## V. DEBT GROWTH AND SUSTAINABILITY

Enova's total debt has increased from \$2.26 billion (Q4 2022) to \$4.11 billion (Q3 2025)—an 82% increase that outpaced loan portfolio growth of 66%. This suggests the company may be raising debt to maintain solvency rather than funding operations from retained cash earnings. Especially when considering the amount of principal growth attributable to origination fees and capitalized revenue. [Enova reported Q4 results on 1/27/2026 and debt has increased to \$4,498M, which is greater than Enova's loan

principal (\$4,776M) minus its 30 day delinquent balances (\$332M) of \$4,444M. This level of leverage is unacceptable to a banking institution.]

## VI. RISK TO DEPOSITORS

Grasshopper Bank holds approximately \$3 billion in deposits, including significant Banking-as-a-Service (BaaS) deposits that may be held for the benefit of end customers of fintech partners. If Enova's true financial condition is as described above, approval of this transaction would place these deposits under the control of a parent company that:

- (a) May have negative equity and thus cannot serve as a source of strength to its subsidiary bank;
- (b) Carries \$4.5 billion in debt that could create pressure to extract value from the bank subsidiary; and
- (c) Has a business model dependent on continued access to capital markets that could be disrupted if the accounting concerns described herein become public.

The FDIC insurance fund would ultimately bear the risk if Grasshopper Bank were to fail under stressed conditions following this acquisition.

## VII. BOARD INDEPENDENCE CONCERNS

Beyond financial condition concerns, the Board should evaluate whether Enova's governance structure provides adequate independent oversight—a critical consideration for any bank holding company. Analysis of Enova's proxy statements reveals significant historical relationships between directors and executives that may compromise the board's independence.

### A. The Feehan-Fisher Relationship

Daniel R. Feehan, who chairs Enova's Management Development and Compensation Committee, has a decades-long mentor-protégé relationship with David Fisher (Executive Chairman) that predates Enova's existence as a public company:

**January 2013:** Feehan, as CEO of Cash America International, personally hired Fisher to lead Enova (then a Cash America subsidiary). In Cash America's press release, Feehan stated: "We are fortunate to have someone of David Fisher's caliber and experience join our company."

**2013–2014:** Fisher reported to Feehan as his corporate superior while preparing Enova for its IPO spin-off from Cash America.

**November 2014:** When Enova spun off as an independent public company, Feehan joined Enova's Board of Directors while Fisher became CEO and Chairman.

**2015–Present:** Feehan has chaired the Compensation Committee that sets Fisher's pay. Most recently, this committee approved Fisher's transition to Executive Chairman

at \$6.2 million annual compensation—175% of new CEO Cunningham’s \$3.5 million package.

This structure creates a circular dynamic where the person who originally hired Fisher now determines his compensation, undermining the arm’s-length independence required for rigorous oversight.

## **B. The Gray-Fisher Relationship**

James A. Gray, Enova’s Lead Independent Director, also has deep historical ties to Fisher predating Enova. Gray co-founded optionsXpress in 2000 and served as Chairman of its Board. Fisher joined optionsXpress as CFO in 2004 and became CEO in 2007, reporting to Gray as Chairman until Charles Schwab acquired the company in 2011. Gray and Fisher worked together for seven years before Fisher joined Enova.

## **C. Implications for Bank Holding Company Status**

The “managerial resources” factor under 12 U.S.C. § 1842(c) requires the Board to evaluate the quality and independence of governance. The relationships documented above suggest that the aggressive fair value accounting practices described in Sections II–IV occurred under a board structure where key oversight positions are held by individuals with long-standing personal and professional loyalty to management. If Enova becomes a bank holding company, these same governance deficiencies would affect oversight of a federally insured depository institution.

# **VIII. SECURITIZATION TRANSPARENCY DEFICIENCIES**

A significant barrier to verifying Enova’s fair value assumptions is the company’s deliberate use of Rule 144A private placements for all of its asset-backed securitizations. This structure prevents independent verification of whether Enova’s fair value marks are consistent with actual loan performance.

## **A. Rule 144A vs. Registered ABS**

Unlike registered public asset-backed securities subject to Regulation AB II, Enova’s 144A securitizations are offered only to Qualified Institutional Buyers (QIBs) and are exempt from SEC disclosure requirements that would otherwise mandate:

- (a) Loan-level data disclosure showing individual loan characteristics and performance;
- (b) Ongoing Form 10-D filings with monthly or quarterly pool performance data;
- (c) Actual default and recovery rates by vintage;
- (d) CEO certification of the accuracy of pool performance information.

## **B. Information Asymmetry**

This structure creates a significant information gap. Enova knows actual default rates, recovery rates, and delinquency trends by vintage from its securitized pools, but public investors and regulators can only verify aggregate self-reported figures from Enova's 10-K and 10-Q filings.

### **C. Relevance to Federal Reserve Review**

I respectfully submit that there is no compelling business reason for a repeat issuer of Enova's size to exclusively use 144A private placements rather than registered public offerings—unless the company specifically wishes to avoid the loan-level and ongoing performance disclosures that would allow verification of its fair value assumptions.

## **IX. REQUESTED ACTIONS**

In light of the concerns detailed above, I respectfully request that the Board:

1. Conduct enhanced due diligence on Enova's fair value accounting methodology, including retrospective analysis comparing prior fair value assumptions to actual cash collection outcomes;
2. Require Enova to provide detailed reconciliation of fair value revenue recognition to actual cash collections for the past 15 quarters;
3. Evaluate whether Enova's adjusted financial condition (accounting for non-cash fair value items) satisfies the "financial resources" and "source of strength" requirements;
4. Coordinate with the Securities and Exchange Commission regarding any pending enforcement matters related to Enova's financial reporting; and
5. Consider whether approval should be conditioned on Enova maintaining specified capital ratios at the holding company level, calculated on an adjusted basis excluding fair value premiums.

Additionally, in light of the governance and transparency concerns detailed in Sections VII and VIII, I respectfully request that the Board:

6. Evaluate whether the documented relationships between Enova's directors and executives meet the Federal Reserve's standards for independent board oversight of a bank holding company;
7. Consider requiring reconstitution of key board committees with directors having no pre-IPO ties to current or former management;
9. Require ring-fencing of Grasshopper's banking operations from Enova's subprime lending activities with separate governance independent from Enova's existing board; and
10. Require independent third-party validation of fair value assumptions before and after acquisition closing, with reconciliation to actual performance in securitized pools.

## **X. SUPPORTING DOCUMENTATION**

The analysis summarized in this letter is based entirely on Enova's public SEC filings, including Forms 10-K, 10-Q, and supplemental earnings materials. I am prepared to provide detailed supporting schedules, including quarter-by-quarter reconciliations, upon request.

I have also submitted a related complaint to the SEC Office of the Whistleblower and to the Public Company Accounting Oversight Board regarding potential securities law violations and audit deficiencies related to Enova's fair value accounting.

## **XI. CONCLUSION**

The acquisition of a federally insured depository institution is a matter of significant public interest. The Board's careful evaluation of the acquiring company's financial condition, governance structure, and transparency practices is essential to protecting depositors and the deposit insurance fund. I respectfully submit that the financial, governance, and transparency concerns raised in this letter warrant thorough investigation before this application is approved.

I appreciate the Board's consideration of these comments and am available to provide additional information or clarification as needed. I do hold put options in Enova. I have had a short position on this firm for over 12 months given the relevancy of the findings above.

Respectfully submitted,

Reid Brady, CFA  
January 28, 2026

*Contact Information:*  
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708-370-2523

**From:** [Christian Cok](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Comment Against Enova Bank Charter  
**Date:** Wednesday, February 18, 2026 8:16:13 AM

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Good morning,

I am writing to express my strong opposition to the national bank charter application submitted by Enova International, Inc.

Enova International utilizes partnerships with state-chartered banks in jurisdictions with high or non-existent usury caps to export predatory loans to consumers nationwide, effectively bypassing state lending limits designed for consumer protection. In my experience, these lending methods frequently trap consumers in cycles of debt, often leaving bankruptcy as their only recourse. These practices appear designed to exploit vulnerable individuals while benefiting major institutional investors such as BlackRock, Inc., The Vanguard Group, Inc., and Dimensional Fund Advisors LP.

Granting this company a charter would further enable usurious lending practices and exacerbate the wealth gap. I respectfully ask that you deny this application to prevent the expansion of these predatory subprime loans across state lines.

Sincerely,

**Christian Cok, Esq.**

Associate  
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**\*Note New Address\***

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**From:** [Dan Edelman](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] proposed acquisition of Grasshopper Bank by Enova  
**Date:** Wednesday, February 18, 2026 8:40:15 AM

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Illinois has a 36% cap on interest rates. Enova subsidiary NetCredit makes 100-300% loans to Illinois residents using a "rent a bank" arrangement that is prohibited by Illinois law, which specifically covers entities which arrange credit over 36%. We have filed a number of cases against NetCredit based on this provision. NetCredit now seeks to evade Illinois law by organizing Enova Interim Bank and acquiring Grasshopper Bank. The making of loans at over 100% is contrary to the Administration's policy of reducing interest rates paid by consumers and this subterfuge should not be permitted.

Daniel A. Edelman  
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**From:** [bgeiger@seraphlegal.com](mailto:bgeiger@seraphlegal.com)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Comment Against Enova as a National Bank  
**Date:** Wednesday, February 18, 2026 7:51:23 AM

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Good morning,

Enova International, Inc.'s application to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company, should be denied. Enova owns a large number of subsidiaries that specialize in usurious and misleading lending. For years they have operated by extending credit online to consumers throughout the US, including states that have adopted usury statutes. One of their primary products, NetCredit, charges interest often exceeding 60%, even in states like Florida, which restrict interest to 18%, or 36% with a license.

Historically, Enova has creatively sought to avoid usury statutes. In 2019 one of their subsidiaries, Align Income Sharing, made "income share agreements" to consumers. These ISAs were framed as an investment in the borrower whereby Align would be paid a portion of your future income. However, the terms of the agreement made clear that Align bore almost no risk and that this "investment" was nothing more than a usurious loan, charging interest at over 60% annually. Due to CFP oversight and law firms like my own, the ISA industry has mostly shut down, as courts and arbitrators took note that these products were simply loans presented in a misleading manner to consumers.

However, while Align no longer operates, the point remains that Enova is a company who has historically sought ways to avoid state usury laws for profit. Their attempted merger with a national bank is just the next step in this process, as a national bank is covered by 12 U.S.C. § 85. Approving their application is simply granting federal approval for 60% APR and higher.

I would be discuss how these products have affected our clients, to the extent that I able to obtain client consent. I can be contacted at the information below.

Sincerely,

**Bryan J. Geiger, Esq.**  
Seraph Legal, P.A.  
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**From:** [Fethullah Gulen](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Comment Against Enova as a National Bank  
**Date:** Wednesday, February 18, 2026 4:01:12 PM

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Good afternoon,

I am writing to express concern regarding the possibility that Enova International may become a nationally chartered bank. Enova, the parent company of NetCredit, has a well-documented history of offering high-cost credit at interest rates that far exceed state usury limits, including in states that have enacted strong consumer protections. Granting Enova a national bank charter would allow it to bypass those laws through federal preemption under 12 U.S.C. § 85 and expand usurious lending nationwide. For these reasons, Enova's application should be denied.

Thank you for your time and attention.

Sincerely,

Fethullah Gulen, Esq.  
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**From:** [Kent Kaiser](#)  
**To:** [CHI SR Comments Applications](#); [licensing@occ.treas.gov](mailto:licensing@occ.treas.gov)  
**Subject:** [External] Application to Form Enova Interim Bank, N.A. and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662  
**Date:** Thursday, February 26, 2026 4:28:23 PM

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February 26, 2026

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
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Benjamin W. McDonough, Deputy Secretary of the Board of Governors  
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20<sup>th</sup> Street and Constitution Avenue NW  
Washington DC 20551-0001

Jonathan V. Gould, Comptroller of the Currency  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW  
Washington DC 20219

Carolina Ledesma, Director for Licensing  
Office of the Comptroller of the Currency  
400 7<sup>th</sup> Street SW  
Washington DC 20219

Re: Application to Form Enova Interim Bank, N.A. and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662

Dear Ms. Fried, Mr. McDonough, Mr. Gould, and Ms. Ledesma:

I write in strong support of Enova International's application to charter Enova Interim Bank, N.A. and acquire Grasshopper Bank. The Office of the Comptroller of the Currency should approve this application because bringing Enova's lending platform inside the national bank regulatory framework will enhance safety and soundness, increase transparency, expand responsible access to credit, and strengthen federal oversight of innovative consumer lending.

Opponents of the transaction argue that Enova's current products are high-cost and therefore incompatible with a national bank charter, but that framing overlooks a critical point: the

choice before the OCC is not whether demand for non-prime credit exists—it clearly does—but whether that demand is met inside or outside the federal banking system. Approving the charter ensures that these activities occur under continuous OCC supervision, capital standards, compliance examinations, Community Reinvestment Act obligations, Bank Secrecy Act requirements, and prudential oversight.

Millions of Americans lack access to traditional bank credit due to thin or impaired credit histories. If federally regulated banks retreat from serving these consumers, the vacuum is filled by less regulated entities operating beyond the reach of federal bank supervision. Bringing Enova's technology-driven underwriting and servicing model into a national bank structure promotes accountability and standardization—not deregulation.

If the OCC denies this application, the likely outcome is not that financially vulnerable consumers suddenly stop needing emergency funds. Instead, many will be pushed further to the margins of the credit system—toward unregulated or even illegal options. According to data from the Federal Reserve Board, about 37 percent of Americans would struggle to cover a \$400 emergency expense. When individuals face urgent needs—a utility shutoff, rent shortfall, car repair, or medical expense—they do not simply disappear from the marketplace. Some may turn to informal or black-market lenders operating entirely outside consumer protection laws to avoid asking family or friends due to embarrassment, strained relationships, or the simple reality that those close to them lack the means to help.

The question, therefore, is not whether emergency liquidity will be priced—it always is. The question is whether it will be priced and delivered within a supervised, transparent, federally regulated banking framework, or outside it entirely.

It is also important to recognize the broader policy environment in which this application sits. Certain advocacy organizations—often aligned with trial-lawyer interests and large incumbent financial institutions that stand to gain from less competition—have sought to narrow access to non-prime credit under the banner of consumer protection. In practice, however, blunt restrictions and aggressive rate-cap campaigns frequently reduce options for working families rather than expand them.

Rate caps, while rhetorically appealing, do not eliminate the underlying demand for credit. Instead, they tend to reduce supply—particularly for higher-risk borrowers—leaving working people with fewer lawful, supervised choices. When mainstream and federally regulated institutions are constrained from serving non-prime borrowers, the result is not cheaper credit; it is no credit, or credit that migrates to less transparent and less accountable channels.

Bank-fintech partnerships, including transactions like Enova's acquisition of Grasshopper Bank, which represents the ultimate bank-fintech partnership—or similar models in which technology-driven lenders integrate directly with chartered institutions—provide the most accountable form of such partnerships. Rather than operating at arm's length, the lending platform becomes embedded within a prudentially regulated bank. This structure enhances financial inclusion by combining modern underwriting tools with federal oversight, capital requirements, and compliance management systems. It is, in many respects, the ultimate alignment of innovation and supervision.

Importantly, the OCC has the authority—and the obligation—to condition approval on compliance enhancements, underwriting standards, fair lending controls, and robust ability-to-repay frameworks. A charter is not a blank check; it is a supervisory relationship. The OCC routinely works with institutions to refine product structures, improve disclosures, strengthen compliance management systems, and mitigate risk. That same supervisory process can and should apply here.

Critics sometimes cite Enova's historical enforcement actions, yet the existence of prior enforcement, followed by remediation and continued operation, demonstrates that regulatory oversight works. Incorporating Enova into the national bank system will increase—not decrease—ongoing supervision and reduce the likelihood of future compliance breakdowns.

From a safety-and-soundness perspective, Enova has extensive experience managing non-prime credit risk, including sophisticated data analytics and pricing models that reflect borrower risk profiles. High charge-off rates in a non-prime portfolio reflect the risk characteristics of the served population. The supervisory question is whether those risks are appropriately underwritten, reserved against, and supported by adequate capital—not whether they mirror prime lending portfolios.

Failing to approve Enova's application will not eliminate emergency borrowing. It will simply drive it further underground, into opaque and potentially exploitative channels. Approval, by contrast, brings lending inside the federal regulatory perimeter—where examiners can enforce fair lending standards, consumer protection laws, data security requirements, and responsible small-dollar lending principles.

Granting the charter would affirm that the national bank system remains adaptable to evolving financial models and responsive to the real-world needs of Americans living paycheck to paycheck. Responsible innovation—paired with strong supervision—would strengthen the integrity of the charter rather than weakening it.

Granting the charter would benefit credit consumers by creating efficiencies, lowering costs, and increasing credit product options. In turn, potentially more consumers will enjoy the freedom to borrow using credit products they need and desire, rather than more being denied access to the credit community and being pushed into sketchy alternatives.

For these reasons, the OCC should approve Enova's application, subject to appropriate supervisory conditions and compliance expectations. Doing so will enhance oversight, expand responsible access to credit, support financial inclusion, and reinforce the national bank charter's role as the gold standard for regulated financial services.

Thank you for your consideration.

Respectfully submitted,



Kent Kaiser, Ph.D.

Secretary/Treasurer

Domestic Policy Caucus

735 Snelling Avenue N  
Saint Paul MN 55104  
651-338-1777

--

Kent Kaiser, Ph.D.  
Secretary/Treasurer  
Domestic Policy Caucus  
651-338-1777  
[www.domesticpolicycaucus.com](http://www.domesticpolicycaucus.com)

**From:** [lee](#)  
**To:** [Office-of-the-Secretary \(Board\); CHI SR Comments Applications](#)  
**Cc:** [InnerCity Press](#)  
**Subject:** [External] Timely comments in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank  
**Date:** Saturday, January 31, 2026 7:54:36 PM

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January 31, 2025

Via E-mail to Office-of-the-Secretary [at] [frb.gov](mailto:frb.gov)

Board of Governors of the Federal Reserve System  
Attn: Chair Powell, Secretary Misback  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Timely comments in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank

Dear Chair Powell, Secretary Misback:

On behalf of Fair Finance Watch, this is opposition to the applications of Enova, parent of the high-cost payday lender CashNetUSA, to become bank holding company by acquiring and to acquire Grasshopper Bank.

To allow a payday lender already fined by the CFPB to become a bank holding company would be a new low for the Fed.

For the record on this application:

" The Consumer Financial Protection Bureau (CFPB) has ordered online lender Enova International Inc. to pay a \$15 million penalty for what it said is "widespread illegal conduct," including withdrawing funds from customers' bank accounts without their permission, making deceptive statements about loans, and cancelling loan extensions. thumbnail\_CFPB This isn't the first time Enova has been fined. The company paid a \$3.2 million penalty to the CFPB in 2019, and was ordered to cease its illegal conduct, the Bureau said. "For violating that order and continuing to break the law, Enova is now banned from offering certain consumer loans, must provide redress to the consumers it harmed, and is required to tie executive compensation to the company's

compliance with federal consumer financial protection laws,” the CFPB said.

**What Company Does/Did** Enova is a publicly traded nonbank lender headquartered in Chicago that extends or arranges unsecured installment loans and lines of credit to consumers in 37 states through its CashNetUSA- and NetCredit-branded subsidiaries. Up until 2022, Enova also extended unsecured payday loans to consumers through its CashNetUSA-branded subsidiaries, the CFPB said. “After taking action against Enova in 2019, the CFPB investigated Enova’s compliance with the 2019 order. The investigation found that the company was continuing to engage in illegal behavior, affecting more than 111,000 consumers,” according to the CFPB.

**The Specific Findings**

Specifically, the CFPB said it found in its additional investigation that Enova:

- Withdrew funds without borrowers’ consent. “Enova withdrew or tried to withdraw funds from consumers’ accounts without having obtained their express informed consent as required by the 2019 order,” the CFPB said. “In some cases Enova used bank account information it had purchased from online lead generators, overwriting the bank account information that borrowers had authorized Enova to use.”
- Backtracked on loan extensions. “Enova cancelled loan extensions it had granted to certain consumers and in most instances debited such consumers’ bank accounts for the full loan payment instead of only a smaller loan extension fee, in violation of the 2019 order.”
- Deceived borrowers with false statements and omissions. “Enova failed to tell consumers who had been granted a loan extension that making an interim partial payment would result in cancellation of the loan extension and misrepresented the amount that Enova would charge to consumers who made such an interim partial payment,” the CFPB said. “Enova also misrepresented the due date for certain loan payments, that consumers could skip certain loan payments, and the amounts due on certain loans.”
- Failed to provide consumers copies of signed authorizations. “Enova initiated recurring electronic fund transfers from consumers’ bank accounts without providing the consumer with a copy of a signed authorization identifying the particular bank account that the consumer had authorized for such transfers, in violation of the 2019 order,” according to the Bureau.

**Enforcement Action** The CFPB said its order enforces the 2019 order, and requires Enova to:

- Stop offering certain short-term loans. For a period of seven years, Enova is prohibited from offering or providing closed-end consumer loans that must be substantially repaid within 45 days.
- Stop its illegal practices. Enova may not engage in certain specified practices, including initiating attempts to debit funds from a consumer’s account without having obtained the consumer’s express informed consent and failing to honor loan extensions granted to consumers.
- Reform executive compensation. Enova’s

executive compensation policies and agreements must consider the actions taken by the executive to ensure that the executive's business or department complies with the order and federal consumer financial law. Provide redress to consumers. Enova must provide redress to all consumers whose accounts Enova debited without their express informed consent, including by returning to those consumers all unlawfully debited amounts and associated fees, costs, and interest. Pay a civil penalty. Enova will make a civil penalty payment of \$15 million to the CFPB victims relief fund."

Now they want (to become) a national bank? Public hearings are necessary.

Combine this with Grasshopper's use of artificial intelligence in banking - a topic not yet scrutinize enough by the regulators, see for example Fifth Third and Brex, with Brex now being acquired by Capital One - and the need for public hearings on this CashNetUSA/Enova - Grasshopper (AI) proposal is all the more clear.

That neither company has HMDA data does not justify relegating review of this troubling proposal to the Reserve Bank, which does not even have delegate approval to deny an application.

The comment period should be extended; evidentiary hearings should be held; and on the current record, the application should not be approved. Please immediately send all requested information -- including a complete copy of the application, during the comment period -- and responses by e-mail to [lee@fairfinancewatch.org](mailto:lee@fairfinancewatch.org) and [innercitypress@gmail.com](mailto:innercitypress@gmail.com) -- and if also by regular mail, to Matthew R. Lee, Esq. Fair Finance Watch c/o Matthew R. Lee Esq, PO Box 130222, NYC NY 10013. Please also confirm receipt of this formal submission. If you have any questions, please immediately telephone the undersigned, at (718) 716-3540.

Very Truly Yours,

Matthew Lee, Esq.

Executive Director

Inner City Press/Fair Finance Watch

**From:** [Brandon Morgan](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Comment against Enova as a National Bank  
**Date:** Wednesday, February 18, 2026 9:03:01 AM

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**PLEASE NOTE: This email is not from a Federal Reserve address.**

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Good morning,

Enova International, Inc. should not be approved to gain the assets of a national banking charter. It is a company with firm roots in payday lending, and approving such a merger would allow Enova to gain access to a broader geographic area to expand its harmful lending practices.

One of Enova's most well-known subsidiaries is NetCredit, which participates in what is commonly referred to as a "rent-a-bank" scheme to ostensibly allow it to lend to consumers at interest rates which are usurious in most states. My firm has filed multiple lawsuits against Enova and NetCredit regarding its usurious lending in Florida. If Enova had its own banking charter, it would continue to harm consumers in Florida with more than a legal smokescreen to back its practices.

Best regards,

**Brandon D. Morgan, Esq.**

Associate Attorney  
Seraph Legal, P.A.

3505 East Frontage Road, Suite 145

Tampa, Florida 33607

Tel: 813-567-3434

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[www.SeraphLegal.Com](http://www.SeraphLegal.Com)

**\* Please note new address \***

**Confidential Communication:** This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

**FRE 408:** To the extent that the contents of this email contain material and information relating to the settlement of a claim, this communication is confidential pursuant to the Federal Rules of Evidence, Rule 408.

**From:** [Aarti Dhupelia](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Enova International's Acquisition of Grasshopper Bank  
**Date:** Thursday, February 26, 2026 3:26:31 PM  
**Attachments:** [image001.png](#)

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**PLEASE NOTE: This email is not from a Federal Reserve address.**

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Good afternoon,

I am the CEO of the nonprofit organization One Million Degrees (OMD), whom Enova has been a great supporter of and partner to for years. Our mission at OMD is to accelerate community college students on career pathways to economic mobility, and as one of Enova's partner nonprofits, we have greatly valued the community development support Enova provides for our community college education programs. Enova has provided financial education and support through philanthropic contributions, strategic leadership through board service and professional development, and student and workforce development as an OMD internship and volunteer career mentoring partner. We support Enova's merger with Grasshopper Bank and look forward to continuing the important work of empowering even more students with the financial education and resources they need to succeed.

Sincerely,  
Aarti Dhupelia

---

**Aarti Dhupelia, Ed.D.**

Chief Executive Officer | [One Million Degrees](#)

Pronouns: she/her



180 N Wabash Ave, Suite 415, Chicago, IL 60601

P: (847) 331-4537

E: [adhupelia@onemilliondegrees.org](mailto:adhupelia@onemilliondegrees.org)



February 26, 2026

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60690-1414

Benjamin W. McDonough  
Deputy Secretary of the Board of Governors  
20th Street and Constitution Avenue, NW  
Washington, DC 20551-0001

Dear Ms. Fried and Mr. McDonough,

I am writing today to express my support of the proposed acquisition of Grasshopper Bank by Enova International. As one of Enova's partner nonprofits, we have greatly valued the community development support Enova provides for our youth education readiness programs.

Enova has been a valuable partner in advancing Cradles to Crayons' mission of providing children living in homeless or low-income situations with the essential items they need to thrive – at home, at school and at play. Since our partnership began in 2017, the impact of Enova's support has significantly increased. Their financial support has helped C2C Chicago provide basic essentials to nearly 37,000 children locally. In addition, Enova employees have dedicated hundreds of volunteer hours to help make C2C Chicago's work possible.

We look forward to continuing the important work of empowering students with the resources they need to succeed through our ongoing partnership with Enova.

Thank you for the opportunity to provide this comment in support of the merger.

Sincerely,

Dawn Melchiorre  
*Executive Director*  
Cradles to Crayons—Chicago



February 27, 2026

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414.

**Re: Application of Enova International, Inc., Chicago, Illinois; to become a bank holding company by merging with Grasshopper Bancorp, Inc., and thereby indirectly acquiring Grasshopper Bank, N.A., both of New York, New York, through a merger with a newly formed subsidiary, Enova Interim Bank, N.A., South Jordan, Utah.**

Dear Ms. Fried,

My name is Chuck Bell and I am programs director for advocacy for Consumer Reports, a nonprofit independent organization that works side-by-side with consumers for a safe, just and fair marketplace.

I am writing to urge you to please deny the application of Enova International, the owner of CashNetUSA and NetCredit, to become a national bank. If Enova were allowed to become a national bank, it would be able to offer its 100% to 300% APR loans across the country, ignoring state laws nationwide. We do not need a 100% to 300% APR national bank. A bank such as this lends money at usurious interest rates directly harms consumers, and leaves a trail of severe financial devastation, as seen through consumer complaints to regulatory agencies and the Better Business Bureau, citing financial stress, credit reporting damage and bankruptcy.

Through its CashNetUSA and NetCredit brands, Enova makes installment loans and lines of credit at rates that reach 100% to 300% APR. It has an astoundingly high charge-off rate over 50%, revealing a predatory and highly deceptive business model that traps people in unaffordable loans. If Enova is allowed to acquire Grasshopper Bank and become a national bank based in Utah, federal law would allow Enova to charge these high rates, without any limit, anywhere in the country. Currently, [45 states](#) prohibit those rates on many installment loans. My state, New York, has a criminal usury cap of 25% APR. Lenders who lend at sky high interest rates are not welcome here, or in any non-payday authorizing state.

Approval of Enova's predatory 100% to 300% APR bank charter would make a travesty of the idea of federal regulatory oversight and consumer financial protection. Please reject Enova's application and only approve applications from responsible, ethical lenders who do not engage in usurious lending and fee-gouging.

For reference, I am attaching complaint narratives from consumers who complained about Enova/NetCredit's predatory practices to the Consumer Financial Protection Bureau and Better Business Bureau. Many consumers complained of unsafe, risky loans with sky-high APRs, that got them in debt trap because of the escalating interest and fee charges. This is not safe lending,

based on consumer ability to repay. This is financial wealth extraction that results in considerable, extensive, ongoing suffering and misery for borrowers.

For more information, see these briefs from the National Consumer Law Center.

- Report: [Predatory Installment Lending in the States: How Well Do the States Protect Consumers Against High-Cost Installment Loans?](#), Dec. 19, 2025
- Brief: [Comparing APRs on Small Loan Alternatives](#), Jan. 7, 2025
- Report: [Larger Loans Need Lower Rates: A 50-State Survey of the APRs Allowed for a \\$10,000 Loan](#), Mar. 6, 2024
- Brief: [Why Cap Interest Rates at 36%?](#), Aug. 4, 2021

Thank you very much for considering our views.

Sincerely,

A handwritten signature in black ink that reads "Charles W. Bell". The signature is written in a cursive style with a small blue mark above the 'l' in "Bell".

Chuck Bell  
Programs Director, Advocacy  
Consumer Reports  
101 Truman Avenue  
Yonkers, NY 10703-1057  
Web: [www.ConsumerReports.org](http://www.ConsumerReports.org)  
E-mail: [chuck.bell@consumer.org](mailto:chuck.bell@consumer.org)  
Phone: (914) 830-0639 (mobile)

## **APPENDIX A. ANALYSIS OF CFPB COMPLAINTS RECEIVED RELATING TO ENOVA/NETCREDIT (AI-ASSISTED)**

Below is a structured analysis of the **2,493 Enova complaints** in your spreadsheet, including category breakdowns, major issue clusters, and recurring themes.

---

### **1. Complaint Volume by Product Category**

<b>Product Category</b>	<b>Count</b>	<b>% of Total</b>
Payday/Title/Personal Loans (incl. line of credit)	859	<b>34.5%</b>
Credit reporting / consumer reporting	751	<b>30.1%</b>
Debt collection	632	<b>25.4%</b>
Other categories (credit card, money transfer, etc.)	251	10.0%

### **Key Takeaway**

Nearly **90% of complaints** fall into three areas:

- Lending products
  - Credit reporting
  - Debt collection
- 

### **2. Most Frequent Complaint Issues (Top-Level)**

<b>Issue</b>	<b>Count</b>	<b>%</b>
Incorrect information on your report	465	<b>18.7%</b>
Unexpected fees or interest	360	<b>14.4%</b>
Improper use of credit report	277	11.1%
Attempts to collect debt not owed	276	11.1%
Struggling to pay loan	164	6.6%
Investigation failed to fix error	131	5.3%
Threatened negative/legal action	124	5.0%

---

### 3. Sub-Issue Patterns (Granular Themes)

Most common sub-issues include:

- Information belongs to someone else (7.2%)
  - Improper credit report use (7.2%)
  - Account information incorrect (5.5%)
  - Debt is not yours (5.5%)
  - Identity theft-related debt (4.5%)
  - Investigation did not fix error (4.2%)
  - Threatened credit damage (4.1%)
- 

### 4. Typology of Complaint Themes

Based on frequency patterns, complaints cluster into five dominant typologies:

---

#### A. Credit Reporting Accuracy & Investigation Failures (~30%)

**Core problem:** Incorrect or improperly used credit information.

Common patterns:

- Accounts that do not belong to the consumer
- Identity theft–related reporting
- Failure to correct disputed errors
- Unauthorized credit inquiries
- Reporting inaccuracies that persist after disputes

This suggests systemic friction around dispute resolution and credit file integrity.

---

#### B. Loan Cost & Fee Disputes (~14–20%)

**Core problem:** Pricing transparency and affordability.

Themes:

- Unexpected fees or interest
- Confusion about loan terms
- Add-on products

- Payoff process problems
- Consumers struggling to repay

This cluster reflects concerns about cost structure and loan servicing.

---

### **C. Debt Collection Practices (~25%)**

**Core problem:** Legitimacy and collection tactics.

Common complaints:

- Debt not owed
- Wrong amount collected
- Repeated/frequent calls
- Threats of legal or credit damage
- Insufficient validation notice
- Third-party disclosure

Many overlap with credit reporting issues (e.g., disputed debts appearing on reports).

---

### **D. Identity Theft & Fraud Spillover (~10–15% overlapping)**

Identity theft appears across both:

- Credit reporting complaints
- Debt collection complaints

Indicators:

- Debt was result of identity theft
- Information belongs to someone else
- Unauthorized inquiries

This is a cross-cutting vulnerability theme.

---

### **E. Financial Hardship / Repayment Distress (~6–8%)**

Includes:

- Struggling to pay loan
- Payment processing issues

- Negative action threats tied to delinquency

This cluster reflects borrower distress rather than purely administrative errors.

---

## 5. Vulnerable Populations

Tags indicate:

- **Servicemembers:** 9.1%
- **Older Americans:** 4.3%
- Both tags combined: 1.9%

This is notable — servicemembers appear overrepresented relative to their share of the general population.

---

## 6. Company Response Patterns

- **99.8% marked as “Timely response: Yes.”**
- Very few recorded consumer dispute outcomes in the dataset.

Timeliness appears high administratively, but volume of repeat reporting and investigation failures suggests resolution satisfaction may differ from formal response compliance.

---

## 7. Overall Structural Pattern

The complaints suggest three structural pressure points:

1. **Credit Reporting Integrity**
  - Accuracy
  - Dispute handling quality
  - Identity theft spillover
2. **High-Cost Lending Friction**
  - Fee transparency
  - Unexpected charges
  - End-of-loan/payoff confusion
3. **Debt Collection Legitimacy**
  - Wrong-party collection

- Aggressive tactics
  - Validation deficiencies
- 

### Executive-Level Framing

If you were summarizing this for publication or briefing:

***The largest share of complaints involve inaccurate or improperly used credit reporting data, followed by unexpected loan costs and disputed debt collection. A recurring theme is consumers being held responsible for debts they say are not theirs, including identity-theft-related accounts. Servicemembers represent a notable share of complaints. While company responses are overwhelmingly marked as timely, investigation and correction failures appear to be a persistent source of consumer harm.***

---

Here is a focused qualitative analysis of **high-cost / higher-than-expected interest** narratives in your dataset.

---

### Scope of Analysis

- Total complaints: **2,493**
- Complaints with narratives: **1,185**
- Loan-product narratives: **564**
- Narratives referencing cost/interest/fees: **355**

So roughly:

- **63% of loan narratives**
- **30% of all narratives**

explicitly mention cost, fees, interest, or repayment burden.

This is a dominant qualitative theme.

---

### Most Salient Language Patterns

High-frequency words in cost-related narratives include:

- **interest**
- **payment / payments**
- **fees / fee**

- **balance**
- **rate**
- **pay / paid**
- **month**
- **predatory**
- **financial**
- **line (of credit)**

This strongly suggests consumers are focused on repayment structure, accumulating balances, and high APRs.

---

### **Qualitative Themes: High-Cost Lending Typology**

Based on narrative patterns, complaints cluster into six recurring storylines.

---

#### **1. “I Paid Much More Than I Borrowed”**

##### **Core narrative:**

Consumers describe repaying significantly more than the principal — sometimes double or triple — while the balance barely decreases.

Typical storyline:

- Borrowed a few hundred or a few thousand dollars.
- Made repeated monthly payments.
- Majority of payments went to interest.
- Principal remained largely intact.

Consumer framing:

- “I have paid more than the original loan amount.”
- “The balance is not going down.”
- “This feels like a trap.”

This is the single most common emotional thread.

---

#### **2. Shock at Extremely High APR (Often 100%–700%+)**

Many consumers explicitly mention:

- APRs above 100%
- Triple-digit or “over 400%” rates
- Describing loans as “predatory”

Themes:

- Consumers did not fully understand the APR at origination.
- Some say they were told it was manageable.
- Others say the cost was buried in disclosures.

This reflects both cost level and transparency concerns.

---

### 3. Interest Continues to Accrue Even After Hardship

Common story:

- Borrower falls behind.
- Interest and fees continue to accrue rapidly.
- Balance grows even without new borrowing.

Consumers describe:

- “Interest piling up.”
- “Balance increasing every month.”
- “Impossible to catch up.”

This intersects with financial distress complaints.

---

### 4. Line of Credit Structure Confusion

Many complaints reference **personal lines of credit**, not just installment loans.

Patterns:

- Consumers believed they were getting a fixed-term loan.
- Instead received revolving credit.
- Minimum payments mostly applied to interest.
- Long payoff horizon.

Some explicitly state:

- “I did not realize this was a line of credit.”

- “The minimum payment doesn’t reduce the principal.”

This suggests structural misunderstanding of product design.

---

## **5. Unexpected Fees & Add-On Charges**

Recurring themes:

- Origination fees
- Late fees
- Returned payment fees
- Processing fees

Some borrowers report:

- Fees added after partial payments
- Fees triggering further interest accrual
- Difficulty obtaining clear payoff amounts

This is less frequent than APR shock, but still common.

---

## **6. Debt Spiral / Repeat Borrowing**

Consumers describe:

- Taking one loan to pay another
- Rollover borrowing
- Re-borrowing after payoff

Narratives frequently mention:

- “Cycle”
- “Trap”
- “Spiral”
- “Never-ending”

This reflects classic repeat borrowing risk patterns.

---

## **Emotional & Framing Language**

Many consumers use moral language:

- “Predatory”
- “Excessive”
- “Unfair”
- “Taking advantage”
- “Financial hardship”
- “Trap”

There is a strong theme of:

- Feeling misled
  - Feeling trapped
  - Feeling exploited during financial vulnerability
- 

### **Servicemember and Vulnerable Consumer Overlap**

Given earlier tag data (9% servicemember), it would be worth cross-tabulating cost-related complaints with servicemember status. Anecdotally, many narratives mention:

- Military income
- Fixed income
- Disability income
- Emergency medical expenses

High-cost credit appears frequently tied to financial shock events.

---

### **Structural Patterns Emerging**

From a policy or research framing perspective, the complaints point to:

1. **High APR installment/LOC products producing long amortization tails**
  2. **Minimum payment structures that slow principal reduction**
  3. **Borrower misunderstanding of product type (installment vs revolving)**
  4. **Accumulating interest during hardship periods**
  5. **Fee layering compounding cost**
- 

### **Executive Framing Summary**

If summarizing for publication:

***Consumers frequently report repaying far more than the amount borrowed, with many describing triple-digit APRs and payments that primarily cover interest rather than principal. A recurring complaint involves line-of-credit structures that function like revolving credit, leaving borrowers making minimum payments with little progress toward payoff. Many narratives frame the loans as “predatory,” particularly when financial hardship leads to compounding interest and fee accumulation.***

---

Please cite some customer complaints that mention APR over 100%, and any personal stories of financial distress related to the high cost of this credit

Here are **specific complaint narratives** from your spreadsheet that (1) **explicitly mention APR over 100%** and (2) include **personal stories of financial distress tied to high-cost credit**. (Narratives contain CFPB-style redactions like “XXXX.”)

**Complaints explicitly citing APR > 100%**

- **Complaint ID 17133652 (received 2025-11-10) — Payday loan — “Charged fees or interest you didn’t expect”**

“The APR on this is 299%.”

- **Complaint ID 15117685 (received 2025-08-06) — Personal line of credit — “Charged fees or interest you didn’t expect”**

“This loan carries an APR of 325%...”

- **Complaint ID 17907535 (received 2025-12-10) — Personal line of credit — “Charged fees or interest you didn’t expect”**

“The effective APR is approximately 180%...”

- **Complaint ID 8644893 (received 2024-03-28) — Personal line of credit — “Charged fees or interest you didn’t expect”**

“Which comes out to like 159% APR...”

- **Complaint ID 6917972 (received 2023-05-02) — Personal line of credit — “Problem when making payments”**

“I think the APR (149.62%) is too much...”

(Also present in the dataset: **effective APR of 120% — Complaint ID 7524361, received 2023-09-10.**)

---

**Personal stories of financial distress tied to high-cost credit**

These are narratives where consumers describe **life events / hardship** and explicitly connect that hardship to **interest/fees/loan cost**:

- **Complaint ID 13829973 (received 2025-06-01) — Payday loan — “Struggling to pay your loan”** (*job loss + bereavement + interest swallowing payments*)

“...my job got moved overseas and I got laid off... I have sent ... large payments... **Because of interest, it barely touched the balance...**”

- **Complaint ID 15666257 (received 2025-09-02) — Personal line of credit — “Charged fees or interest you didn’t expect”** (*unemployment + utilities/car repo risk + “interest through the roof”*)

“...I was **unemployed for a few months** and was about to get **utilities disconnected** and **car repod...** **The interest is through the roof.** Every payment is 2/3 interest...”

- **Complaint ID 6962409 (received 2023-05-11) — Installment loan — “Charged fees or interest you didn’t expect”** (*hospital bills + “unaware” of rate*)

“...needed money to help pay the **hospital bills...** I was unaware that the **interest rate** being charged was **59%...**”

- **Complaint ID 15898615 (received 2025-09-12) — Payday loan — “Charged fees or interest you didn’t expect”** (*medical collections + “hardship” payment burden*)

“...in desperation... being taken to **collections by medical bills.** I paid ... a month at a **hardship** to myself...”

- **Complaint ID 11219257 (received 2024-12-20) — Installment loan — “Getting the loan”** (*rent emergency / eviction risk + rate surprise*)

“needed {\$1000.00} for **rent by next day or get evicted...** Thought they first mentioned a rate of XXXX percent but the rate in the papers...”

- **Complaint ID 9698436 (received 2024-08-03) — Payday loan — “Charged fees or interest you didn’t expect”** (*elder/fixed income + “impossible to pay off”*)

“I’m elderly and live off a **fixed income...** predatory interest rates... **impossible to pay off...**”

Here is a structured breakdown of how often each narrative theme appears in **loan-product complaints with narratives (n = 564)**.

These figures are based on text-pattern analysis of consumer narratives and likely undercount somewhat due to variation in phrasing, but they give a strong directional sense of prevalence.

**Theme Frequency in Loan Narratives (n = 564)**

Theme	Count	% of Loan Narratives
Rate shock (high APR / interest)	99	17.6%
Unexpected / hidden fees	44	7.8%
“Payments don’t reduce principal” trap	26	4.6%

---

## Interpretation

### 1 Rate Shock (Most Common – ~18%)

This includes:

- Explicit mention of APR
- Triple-digit rates
- “Interest through the roof”
- “Predatory interest”
- “Outrageous rate”

This is the dominant framing. Consumers most often focus on how high the rate is — especially when expressed numerically (e.g., 299%, 325%, 400%).

Rate shock appears to be the primary emotional driver of dissatisfaction.

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### 2 Unexpected or Hidden Fees (~8%)

Includes:

- Statement balance fees
- Undisclosed or poorly explained fees
- Add-on charges
- Finance charges not understood
- Processing/origination/late fees

This is about **fee transparency**, not just rate level.

These narratives often involve:

- “Wasn’t told about this fee”
- “Fee formula doesn’t match agreement”

- “Extra fee added after payment”
- 

### 3 Principal Trap (~5% Explicitly Described)

This category includes language like:

- “I paid more than I borrowed”
- “Payments barely touched the balance”
- “Mostly interest”
- “Paid but still owe”
- “Balance not going down”

This percentage likely **understates the true prevalence**, because many borrowers describe this dynamic indirectly without using the specific phrases captured by pattern matching.

Qualitatively, this theme often overlaps with rate shock — consumers frequently describe both:

- very high APR  
and
  - payments not reducing principal
- 

### How the Themes Relate

These themes are not mutually exclusive. Many narratives contain multiple elements:

- **Rate shock + principal trap** is a common pairing.
- **Rate shock + financial hardship** appears frequently.
- **Unexpected fees** often appear in line-of-credit complaints.

If we look at emotional intensity:

- **Rate shock drives outrage**
  - **Principal trap drives hopelessness**
  - **Unexpected fees drive distrust**
- 

### Structural Insight

From a consumer-harm framing perspective:

- Rate shock is the most visible complaint.

- The principal trap dynamic is less frequently stated explicitly, but often embedded in longer hardship narratives.
- Fee complaints are significant but secondary to APR concerns.

**From:** [Martin Berger](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Enova as a national Bank  
**Date:** Wednesday, February 25, 2026 4:20:40 PM

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NONCONFIDENTIAL // EXTERNAL

**PLEASE NOTE: This email is not from a Federal Reserve address.**

Do not click on suspicious links. Do not give out personal or bank information to unknown senders.

To whomever has the ability to help,

I am a bankruptcy lawyer so I deal with people struggling with debt. Most of my clients are what used to be called middle class. Most of their debt is primarily credit cards and loans with high interest rates. However, even in the world of high interest loans, CashNetUSA and NetCredit stand apart for their 100%+ interest rate predatory lending practices.

If Enova, their parent company, becomes a national bank, there will be no way to rein them in. Without the protections that most states provide against their practices, many more people are going to suffer.

I respectfully request that you deny Enova's request.

Sincerely,

Martin Berger  
Attorney at Law  
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[martin@hawaiidebtsolutions.com](mailto:martin@hawaiidebtsolutions.com)  
[www.hawaiidebtsolutions.com](http://www.hawaiidebtsolutions.com)

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February 27, 2026

By email to: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

Collette A. Fried  
Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: FR Docket 2026-01687, 91 Fed. Reg. 3725, 3726 (Jan. 28, 2026): Application of Enova International, Inc., to Become a Bank Holding Company by Merging with Grasshopper Bancorp, Inc.

Dear Assistant Vice President Fried:

On behalf of its low-income clients, Legal Services of New Jersey appreciates the opportunity to submit these comments opposing the application of Enova International, Inc. (together with its affiliates, “Enova”) to become a bank holding company by merging with Grasshopper Bancorp, Inc., and thereby indirectly Acquiring Grasshopper Bank, N.A., both of New York, through a newly formed subsidiary, Enova Interim Bank, N.A., South Jordan, Utah.<sup>1</sup>

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<sup>1</sup> LSNJ is a non-profit corporation that supports and coordinates New Jersey’s statewide Legal Services system, consisting of a network of five regional Legal Services programs in addition to LSNJ. The Legal Services system is New Jersey’s primary provider of free legal assistance to low-income people in civil matters. When appropriate, LSNJ makes available information and perspectives on matters of broad

Enova is an unabashed high-rate lender. Its loans, many bearing APRs from approximately 100% to as much as 300% or more, lead many New Jersey consumers to seek advice from Legal Services, and result in many collection cases filed in New Jersey state courts. Enova loans include installment loans under its Net Credit brand (with typical APRs in the 79-99% range), open-end lines of credit under its CashNetUSA brand (often with an APR of 299%), and small business loans under its OnDeck brand (with typical APRs in the 49-50% range). All of these loans clearly exceed New Jersey's longstanding usury thresholds.

For nearly three centuries, New Jersey has maintained strong usury law protections to protect its citizens against the harms resulting from high-cost credit, and since 1914 has maintained a robust licensing system for non-bank lenders providing additional consumer protections. *See* N.J.S.A. 17:11C-1 to -49. The lynchpin of New Jersey's usury law protections is the 30% annual interest rate limit under N.J.S.A. 2C:21-19(a), which the New Jersey Department of Banking & Insurance recognizes is applicable to New Jersey state-chartered banks. N.J.A.C. 3:6-12.1(c)(1); 34 N.J. Reg. 1491(a) (April 15, 2002).<sup>1</sup>

The terms on which Enova-controlled entities are lending to consumers in New Jersey – often using nominal third-party bank “lenders” – are eye-popping, and cause significant economic harm. A review of court records disclosed

- 86 debt collection lawsuits filed in New Jersey state courts in 2024 based on NetCredit closed end loans, typically with disclosed APRs between 79 and 99%,
- 21 debt collection lawsuits filed in New Jersey state courts from 2021-25 based on CashNet open-end loans, often with a disclosed APR of 299%, and
- 300 debt collection lawsuits filed in New Jersey state courts from 2022-26 based on OnDeck small business loans, almost always with an individual defendant, typically disclosed APRs just under 50%.<sup>2</sup>

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public importance in the lives of people in poverty based on its experience in representing tens of thousands of low-income people each year.

<sup>1</sup> New Jersey has had usury laws in place since 1738. Like those in many states, New Jersey's usury laws are derived from the Statute of Anne, 12 Anne Stat. 2, c. 16 (1713). The New Jersey Supreme Court has recognized that courts should give a “sympathetic sweep . . . to the State's policy against usury.” *In re Greenberg*, 21 N.J. 213, 220 (1956); *accord Armin Corp. v. Kullman*, 127 N.J. Super. 600, 604 n.1 (Law Div. 1974); *Ferdon v. Zariello Bros.*, 87 N.J. Super. 124, 143 (Law Div. 1965); *Deutsch v. IEDU Tech.*, 2022 WL 17172184, at \*2 (N.J. App. Div. Nov. 23, 2022).

<sup>2</sup> An example of one debt collection complaint recently filed in New Jersey on a NetCredit loan bearing an estimated APR of 98.67% is attached as Appendix A.

Enova's lending decisions rely on black box models that eschew consideration of ability to repay based on documented income, or even consideration of FICO scores.<sup>1</sup> This results in an inherently risky business model in which high default rates must be counterbalanced by extraordinarily high credit costs borne by customers who don't default – the consequences of which include chronic household budget deficits that leave some consumers seeking additional high-cost credit. While the model may prove lucrative, providing unusually high returns to lenders in some economic circumstances, it is also, like all such ventures, risky, with increases in default rates threatening collapse based on economic fluctuations beyond the lender's control.

Research by Pew Charitable Trusts has found that Enova in recent years has reported loan charge-off rates of more than 50%. *See, e.g.,* Pew Charitable Trusts, *Rent-a-Bank Payday Lenders' New Filings Show 55% Average Loss Rates* (available at <https://www.pew.org/en/research-and-analysis/articles/2023/01/09/rent-a-bank-payday-lenders-new-filings-show-55-average-loss-rates>). Risky lending practices such as these, and the harms they cause to consumers, are simply incompatible with the FDIC's standards for safety and soundness, which require banks to “establish and maintain prudent credit underwriting practices,” “make an informed lending decision and to assess risk,” and “assess the ability of the borrower to repay the indebtedness in a timely manner.” 12 C.F.R. Part 364, Appendix A, II.C. and D.

The consumer harms resulting from Enova's lending practices are illustrated in a plethora of complaints filed with the CFPB, including the following 12 complaints against Enova from New Jersey consumers in 2025, unedited from the text on the CFPB's website, under the categories “Charged fees of interest you didn't expect” or “Struggling to pay your loan”:

I am filing a complaint regarding a loan I received from XXXX while residing in the state of New Jersey. The loan was issued with an APR of approximately 97 %. I believe this rate is excessively high and may violate New Jersey's consumer lending and usury laws, which generally prohibit extremely high interest rates for non-bank lenders. At no point was I clearly informed that the APR would be this high or that the total cost of the loan would be so burdensome. The disclosures provided were confusing, and the terms were not adequately explained before I was approved. As a result, I have been placed under significant financial strain. I am requesting that the CFPB review XXXX lending practices as they relate to New Jersey borrowers and determine whether this loan was issued in compliance with applicable state laws. I am also seeking a review of my loan terms,

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<sup>1</sup> According to Enova: “Our customer base for consumer loans is predominantly in the low to fair range of FICO scores, with scores generally between 500 and 680 for most of our loan products. We generally do not take into account a potential customer's FICO score when deciding whether to make a loan.” Enova International Inc. Form 10-K at 8 (Feb. 20, 2026).

including interest rate and fees, and any appropriate relief. (Complaint No. 17874871, Nov. 25, 2025)

The loan is at XXXX % interest which is illegal in the state of XXXX. I initially took the loan out of desperation but did not realize how predatory the loan was. I've been paying {\$130.00} since XXXX and its only paid {\$450.00} to the total loan amount of {\$2600.00}. I have payment sets up to pay until XX/XX/year>. (Complaint No. 16056165, Sept. 19, 2025)

These credit lines are very predatory and impossible to pay off. I hit a spot of financial hardship and took out a line of credit with XXXX. Not only do they take money off the top whenever you barrow from the line of credit- they charge you biweekly in repayment and you can not even make a dent in what you owe. These are essentially payday loans with a new name. I have requested a lower settlement as I will never be able to pay this off, and they have denied me. I have asked for lower fees and still denied. (Complaint No. 15204907, Aug. 8, 2025)

In XX/XX/year> ], I applied for a personal loan through NetCredit during a time of financial hardship. The application process was fast, and the loan was approved quickly. However, the terms of the loan were not clearly explained. I was led to believe the repayment terms would be reasonable, but after reviewing the documents more closely, I discovered that the loan carried an extremely high interest rate and a total repayment amount that was more than double the amount borrowed. I attempted to contact XXXX customer service in [ Month, Year ] to dispute the charges and request a loan modification or settlement. I explained that the loan was predatory in nature and that I had not been properly informed about the total cost. I was told that nothing could be changed and that I had to pay the full amount regardless of the circumstances or lack of transparency in the loan disclosures. To date, XXXX has refused to work with me on this issue or offer any form of resolution. Their collections department has continued to contact me despite my disputes, and their unwillingness to review the situation has placed me under severe financial strain. This experience leads me to believe that XXXX engages in predatory lending practices, targeting vulnerable consumers with confusing terms, high interest, and a lack of support or flexibility. I am requesting a full review of my loan, a breakdown of all charges, and removal or adjustment of any excessive fees or interest that were not clearly disclosed. (Complaint No. 14793844, Aug, 23, 2025)

I was approved for a line of credit in the amount of {\$4600.00} in XXXX. In the very small print they explain that they charge you statement fees every XXXX weeks. I never imagined how incredibly high these would be. I have not used this line of credit since discovering the demoralizing and fraudulent business practices of this company. They have collected over {\$5000.00} in statement fees alone in the past XXXX years. Ive tried to make enough monthly payments to pay this balance off. It is impossible. They were

charging me {\$300.00} in fees every XXXX weeks when I dont even use the account anymore. If I pay them {\$300.00} towards my balance they charge close to that same amount in monthly revolving statement fees. Please help any way that you can. Thank you. (Complaint No. 14536557, July 10, 2025)

I was in need of assistance to pay my mortgage and provide food for my family. I received a mailer from NetCredit with what appeared to be a favorable interest rate, and I had seen their advertisements on TV. I realize now that I should have conducted more thorough research. I took out a {\$4000.00} loan with biweekly payments of {\$100.00}. However, since XX/XX/XXXX, I have only seen {\$7.00} {\$9.00} being applied toward the principal. If I make an additional payment to reduce the principal, they only accept an amount equal to {\$100.00}. I was unaware that the company had numerous predatory lending cases against them. When I reached out for assistance, I received no support. I have made {\$1900.00} in payments so far, and my current principal balance is {\$3800.00}. This situation seems unreasonable, as I have been making payments since XXXX of XXXX. I require assistance, as I can not continue making these payments without seeing any reduction in my principal balance. (Complaint No. 14213685, June 23, 2025)

I received a line of credit from NetCredit that included recurring " statement balance fees " totaling hundreds of dollars over time, in addition to high interest charges. I attempted to review and download my full loan contract for clarification, but it was not available in PDF format and difficult to access or save. I requested clearer documentation and explanation of the charges, but no adequate response or downloadable contract was provided. I am concerned these fees are excessive, not clearly disclosed, and may violate fair lending standards. (Complaint No. 13260099, Apr. 30, 2025)

Net credit has behaved as a predatory lender charging me at least {\$4500.00} in just fees for a {\$5000.00} loan limit, over the course of only 8 months. I was charged {\$2700.00} between XXXX and XX/XX/XXXX and {\$1700.00} between XXXX and XXXX XXXX, in fees alone. I took a {\$5000.00} loan out with NetCredit in XX/XX/XXXX and was hit with very large fees and interest that meant that paying back the loan became extremely difficult, stressful and nearing impossible. Ultimately, I can see from the statements that I ended up paying back 200 % + which was not made clear enough within the agreement. And is predatory practice. (Complaint No. 12967658, Apr. 15, 2025)

FORMAL COMPLAINT TO THE CFPB Consumer Name : XXXX XXXX XXXX  
XXXX Address : XXXX XXXX XXXX, XXXX XXXX, NJ XXXX Phone : XXXX  
Email : XXXX Date : [ XX/XX/XXXX ] Company/Entity Complained Against : XXXX ( operated by XXXX XXXX XXXX XXXX XXXX XXXX Bank XXXX XXXX XXXX  
XXXX XXXX Complaint On XX/XX/XXXX, I entered into a revolving line of credit agreement with NetCredit.com, managed by XXXX Bank XXXX XXXX XXXX XXXX

This agreement contains predatory terms, excessive fees, and abusive contract conditions, which I believe are in violation of federal consumer protection laws. This complaint is connected to a prior CFPB complaint ( # XXXX ), submitted on XX/XX/XXXX, in which I raised similar concerns regarding another NetCredit loan. The company has demonstrated a consistent pattern of deceptive lending practices and failure to provide fair terms to consumers. Main Issues : Excessive and Deceptive Fees : A 10 % fee is charged for each cash advance. An ongoing XXXX XXXX XXXX, calculated monthly, can reach up to \$ XXXX if the balance is high. These fees were not clearly disclosed before or during the signing process. No XXXX XXXX XXXX XXXX : Despite timely payments, the balance grows instead of decreasing, trapping me in a cycle of debt. This structure is designed to maximize fees and delay principal reduction. Usurious Effective XXXX : I estimate the actual XXXX exceeds 160 %, far above reasonable and lawful limits. The high cost of borrowing was not clearly disclosed, violating Truth in Lending Act ( XXXX ) principles. Abusive Contract Clauses : Forced arbitration clause, waiving my right to go to court. Waiver of jury trial and class action rights, limiting my legal options. Lender applies payments at its discretion, with no transparent amortization schedule. Lack of Transparency and Fair Notice : XXXX delivered electronically, only two days before activation, with little time to review. No proper explanation of fees, repayment structure, or risk was provided. What I Am Requesting I respectfully request the CFPB to : Investigate the ongoing practices of NetCredit.com and XXXX Bank XXXX XXXX XXXX. Review the legality of their interest rates and layered fees. Provide relief, such as cancellation or adjustment of this account, due to the predatory nature of the loan. Require the companies to reform their lending policies to protect future borrowers. Consider this complaint in light of prior CFPB Case # XXXX, to establish a pattern of consumer harm. I am also submitting this complaint to the FDIC and reporting it to the FTCs XXXX XXXX XXXX (Complaint No. 12661882, Mar. 23, 2025)

Predatory lending which i was not aware till later after paying XXXX % of my loan or so i thought. (Complaint No. 12198875, Feb. 25, 2025)

I am filing a complaint against XXXX regarding their refusal to provide a reasonable discount for early loan payoff, despite my history of on-time payments and the significant amount of interest I have already paid. I requested a fair adjustment or settlement offer, considering the financial burden I have already shouldered. However, my request was denied outright without any flexibility or explanation beyond standard policy. This refusal seems unfair and does not take into account responsible borrowing behavior. I am seeking a fair resolution, which could include a reduced payoff amount or a review of excessive interest charges. I request the CFPB to investigate this matter and help ensure fair lending practices. (Complaint No. 12130242, Feb. 20, 2025)

I borrow XXXX and received XXXX to spend that was deposited to my account as I recall I've made biweekly payments of {\$800.00} so far as was told that the money is going towards monthly statements not towards the principal of taking money down from the loan..not understanding because it says payback what you borrowed. No interest rate..no APR..just want to make sure thay this company action are legit in my state of new jersey..before I continue any more payments (Complaint No. 11366998, Jan. 3, 2025)

LSNJ respectfully suggests that Enova's application to acquire a national bank to participate in its predatory lending businesses while also acting as a federally-insured depository institution – responsible for safeguarding customer funds and helping to ensure the integrity of the nation's banking system – should be denied.

Thank you for your attention to this matter.

Respectfully submitted,

LEGAL SERVICES OF NEW JERSEY

By: s/Dawn Miller  
Dawn Miller

s/David McMillin  
David McMillin

s/Dhairya Bhatia  
Dhairya Bhatia

# **APPENDIX A**

TSAROUHIS LAW GROUP, LLC  
LISA DeSANTIS, ESQ.  
NJ ID: 043162003  
DAVID A. SEMACHIK, ESQ.  
NJ ID: 033561990  
21 S. 9<sup>th</sup> Street, Ste. 200  
Allentown, PA 18102  
(610) 628-2440  
Attorneys for Plaintiff

Our File # 240097.001

<p>Independence Capital Recovery, LLC , as assignee of NetCredit Affiliates</p> <p style="text-align: center;">Plaintiff</p> <p>v.</p> <div style="background-color: black; width: 150px; height: 25px; margin: 5px 0;"></div> <p style="text-align: center;">Defendant</p>	<p>SUPERIOR COURT OF NEW JERSEY LAW DIVISION: SPECIAL CIVIL PART</p> <p>Mercer COUNTY</p> <p>DOCKET NO.:</p> <p style="text-align: center;">CIVIL ACTION</p> <p style="text-align: center;"><b>COMPLAINT (Contract)</b></p>
---	---

Plaintiff, Independence Capital Recovery, LLC , as assignee of NetCredit Affiliates, by way of Complaint against the Defendant(s), [REDACTED] says:

**COMPLAINT**

1. The Plaintiff, Independence Capital Recovery, LLC as assignee of NetCredit Affiliates, (“Plaintiff”), is a corporation duly organized by law and having a usual place of business at 6225 Sheridan Drive , Williamsville NY 14221.

2. The original creditor was NetCredit Affiliates, and the last four digits of the account number are \*\*\*\*\*3202. The current owner of the debt is Independence Capital Recovery, LLC .

3. Defendant, [REDACTED] , is an adult individual resident of New Jersey who

maintains an address at [REDACTED] Trenton NJ 08629.

**COUNT I—BREACH OF CONTRACT**

4. Upon information and belief, the account is based on an agreement entered into on 10/04/2021 between Defendant(s) and the original grantor; as provided to Plaintiff as the Agreement, attached as **Exhibit A**.

5. Upon information and belief, Defendant(s) used or authorized the use of the account to obtain loans from the original credit grantor for the purpose of obtaining goods, and/or services and/or cash advances.

6. Defendant(s) failed to make full payment of the amount owed on the account.

7. The last payment date on the account was on 09/30/2022 in the amount of 127.39.

8. The account shows that the Defendant(s) owe(s) a balance of \$4098.05. The account statement showing the balance due is attached as **Exhibit B**.

9. The Plaintiff made demand upon the Defendant(s) for payment in full of the balance due to the Plaintiff.

10. The Defendant(s) has failed, refused or neglected to fully pay the balance due to the Plaintiff.

11. The Defendant(s) thus owes the Plaintiff the sum of \$4098.05.

12. Defendant's account was assigned to the Plaintiff through assignment. The Chain of Title from the original creditor to the current assignee is attached as **Exhibit C**.

**WHEREFORE**, Plaintiff requests judgment in its favor and against Defendant(s) as follows:

- a) Judgment in the amount of \$4098.05 due on the account;
- b) Costs of suit; and
- c) Any other relief as the Court deems just and appropriate.

**COUNT II**  
**Alternative to Count I - Unjust Enrichment**

13. Plaintiff incorporates the allegations of every paragraph enumerated above this Complaint as if said paragraphs were fully set forth here at length.

14. At Defendant(s)' request, Plaintiff's predecessor in interest conferred a benefit upon Defendant(s) by providing the loan described in the exhibits attached hereto.

15. Defendant(s) received and accepted the benefits of said loan provided by Plaintiff's predecessor in interest.

16. At all times material hereto, Defendant(s) was aware that Plaintiff's predecessor in interest was providing the aforesaid loan to Defendant(s) and that Plaintiff's predecessor in interest expected to be paid for such.

17. At all times material hereto, Defendant(s), with the aforesaid knowledge, permitted Plaintiff's predecessor in interest to provide said loan and to incur damages.

18. At all times material hereto, Defendant(s) was unjustly enriched by retaining the benefit of receiving money under said loan without paying Plaintiff's predecessor in interest fair and reasonable compensation.

19. Allowing Defendant(s) to retain the benefit of said loan without paying fair compensation would be unjust.

20. By reason of the aforesaid unjust enrichment of Defendant(s) at Plaintiff's predecessor in interest expense, an implied contract exists between Plaintiff and Defendant(s), and

Defendant(s) is obligated to pay Plaintiff the *quantum meruit* value of the loan described in the exhibits attached hereto in the amount of \$4098.05. The account was subsequently assigned to Plaintiff.

**WHEREFORE**, Plaintiff requests judgment in its favor and against Defendant(s) as follows:

- a) Judgment in the amount of \$4098.05 due on the account;
- b) Costs of suit; and
- c) Any other relief as the Court deems just and appropriate.

**CERTIFICATION OF NO OTHER ACTIONS AND REDACTION OF DOCUMENTS**

Pursuant to R. 4:5-1, I certify that the dispute about which I am suing is not the subject of any other action pending in any other court or a pending arbitration proceeding to the best of my knowledge and belief. Also, to the best of my knowledge and belief no other action or arbitration proceeding is contemplated. Further, other than the parties set forth in this complaint, I know of no other parties that should be made a part of this lawsuit. In addition, I recognize my continuing obligation to file and serve on all parties and the court an amended certification if there is a change in the facts stated in this original certification.

I certify that confidential personal identifiers have been redacted from documents now submitted to the court, and will be redacted from all documents submitted in the future in accordance with Rule 1:38-7(b).

**TSAROUHIS LAW GROUP, LLC**

Date:

/s/ Lisa DeSantis

Lisa DeSantis, Esq.

*Attorneys for Plaintiff*

**EXHIBIT A**

**FORM OF ADDENDUM AND BILL OF SALE TO  
 FORWARD FLOW ACCOUNTS SALE AGREEMENT  
 ADDENDUM AND BILL OF SALE NUMBER 1 TO  
 FORWARD FLOW ACCOUNT SALES AGREEMENT**

This Addendum and Bill of Sale Number 1 is an addendum to that certain Forward Flow Accounts Sale Agreement ("Agreement") dated June 21, 2023, by and between Independence Capital Recovery, LLC a Delaware limited liability company with its principal place of business at 6225 Sheridan Drive, Suite 203, Williamsville, NY 14221 ("Buyer"), and CNU Online Holdings, LLC, a Delaware limited liability company ("CNU"), with its principal place of business at 175 West Jackson Boulevard, Suite 600, Chicago, Illinois 60604 on behalf of its wholly-owned subsidiaries doing business as CashNetUSA and in its capacity as an authorized agent for each of its wholly-owned domestic subsidiaries listed on Exhibit A to the Agreement which are separately and collectively referred to herein as the "NetCredit Affiliate(s)". CNU and all NetCredit Affiliates are collectively referred to herein as the "Seller". If there are any conflicts or inconsistencies between the terms of this Addendum and Bill of Sale and the terms of the Agreement and Addendum 1, the terms of this Addendum and Bill of Sale shall control. Capitalized terms not otherwise defined in this Addendum and Bill of Sale shall have the meanings assigned to such terms in the Agreement and/or Addendum 1.

**Description of Accounts**

**(Electronic Account Listing) and Account Detail attached hereto as Exhibit "1"**

**Litigation Accounts**

Applicable Purchase Price Percentage:

<u>Without Prior Placement</u>	\$
<u>150-210 days without prior placement</u>	
<u>211-359 days without prior placement</u>	
<u>360-539 days without prior placement</u>	
<u>540 and older without prior placement</u>	
<u>One agency placement returns</u>	\$

Unpaid Balance of all the Accounts:

<u>Without Prior Placement</u>	\$
<u>150-210 days without prior placement</u>	
<u>211-359 days without prior placement</u>	
<u>360-539 days without prior placement</u>	
<u>540 and older without prior placement</u>	\$
<u>One agency placement returns</u>	\$

Number of Accounts:

<u>Without Prior Placement</u>	
<u>150-210 days without prior placement</u>	
<u>211-359 days without prior placement</u>	
<u>360-539 days without prior placement</u>	
<u>540 and older without prior placement</u>	
<u>One agency placement returns</u>	

Purchase Price:

<u>Without Prior Placement</u>	\$
<u>150-210 days without prior placement</u>	

Exhibit " A "

<u>211-359 days without prior placement</u>	_____
<u>360-539 days without prior placement</u>	_____
<u>540 and older without prior placement</u>	\$ _____
<u>One agency placement returns</u>	\$ _____

No Litigation Accounts

<u>Applicable Purchase Price Percentage:</u>	<u>Without Prior Placement</u>	\$ _____
	<u>150-210 days without prior placement</u>	\$ _____
	<u>211-359 days without prior placement</u>	\$ _____
	<u>360-539 days without prior placement</u>	\$ _____
	<u>540 and older without prior placement</u>	\$ _____
	<u>One agency placement returns</u>	\$ _____

<u>Unpaid Balance of all the Accounts:</u>	<u>Without Prior Placement</u>	\$ _____
	<u>150-210 days without prior placement</u>	\$ _____
	<u>211-359 days without prior placement</u>	\$ _____
	<u>360-539 days without prior placement</u>	\$ _____
	<u>540 and older without prior placement</u>	\$ _____
	<u>One agency placement returns</u>	\$ _____

<u>Number of Accounts:</u>	<u>Without Prior Placement</u>	_____
	<u>150-210 days without prior placement</u>	_____
	<u>211-359 days without prior placement</u>	_____
	<u>360-539 days without prior placement</u>	_____
	<u>540 and older without prior placement</u>	_____
	<u>One agency placement returns</u>	_____

<u>Purchase Price:</u>	<u>Without Prior Placement</u>	\$ _____
	<u>150-210 days without prior placement</u>	\$ _____
	<u>211-359 days without prior placement</u>	\$ _____
	<u>360-539 days without prior placement</u>	\$ _____
	<u>540 and older without prior placement</u>	\$ _____
	<u>One agency placement returns</u>	\$ _____

**Total Purchase Price:** \_\_\_\_\_

Closing Date: June 29, 2023

WIRING INSTRUCTIONS FOR SELLER

Bank Name: \_\_\_\_\_  
 ABA (Routing Number): \_\_\_\_\_  
 Credit Bank Account Name: \_\_\_\_\_  
 ACH Depository Account Number: \_\_\_\_\_  
 Account Description: \_\_\_\_\_



Seller hereby sells the Accounts described on Exhibit "1" attached hereto, upon the terms and conditions set forth above and in the Agreement.

NOW, THEREFORE, for good and valuable consideration, Seller hereby sells, assigns, and transfers to Buyer all of Seller's rights, title and interest in each and every one of the Accounts described in the applicable Exhibit A; provided however, such sale, assignment and transfer is made without any representations, warranties or recourse, except as provided in the Agreement.

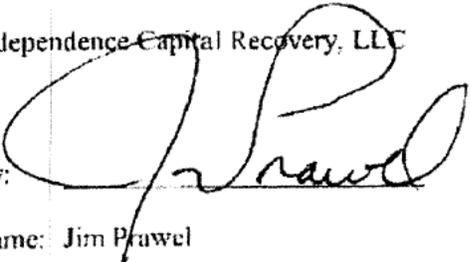
**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF, the parties have signed and delivered this Addendum and Bill of Sale effective as of [Click here to enter a date.](#)

**Buyer**

Independence Capital Recovery, LLC

By:



Name: Jim Pawel

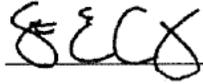
Title:

CEO

**Seller**

CNU Online Holdings, LLC, on its own behalf and its capacity as an authorized agent for each of the NetCredit Affiliates

By:



Name: Steve Cunningham

Title:

CFO

Acct\_num

SSN



Last Payment Date  
9/30/2022 0:00

Balance  
4098.05

Last Payment Amount  
127.39

C\_O Amt  
4098.05

Charged Off Date  
10/24/2022 0:00

Contract Date  
10/4/2021 0:00

Issuer Name  
CNU Online Holdings, LLC - NetCredit  
Affiliates

loan_number	id	account_id	state	first_name	last_name	loan_id	activity_type	event_effective_date	agency_id
			NJ				payment	10/15/2021	12
			NJ				payment	10/29/2021	12
			NJ				payment	11/12/2021	12
			NJ				payment	11/26/2021	12
			NJ				payment	12/10/2021	12
			NJ				payment	12/24/2021	12
			NJ				payment	1/7/2022	12
			NJ				payment	1/21/2022	12
			NJ				payment	2/4/2022	12
			NJ				payment	2/18/2022	12
			NJ				payment	3/4/2022	12
			NJ				payment	3/18/2022	12
			NJ				payment	4/1/2022	12
			NJ				payment	4/15/2022	12
			NJ				payment	4/29/2022	12
			NJ				payment	5/13/2022	12
			NJ				default	5/28/2022	12
			NJ				default	6/11/2022	12
			NJ				default	6/25/2022	12
			NJ				default	6/25/2022	12
			NJ				default	7/9/2022	12
			NJ				payment	7/15/2022	12
			NJ				default	7/23/2022	12
			NJ				default	8/6/2022	12
			NJ				default	8/20/2022	12
			NJ				default	9/3/2022	12
			NJ				default	9/17/2022	12
			NJ				payment	9/30/2022	12
			NJ				default	10/1/2022	12
			NJ				default	10/15/2022	12
			NJ				call_due	10/24/2022	12

Exhibit " B "

activity_amount	total_balance
127.39	3126.88
127.39	3118.21
127.39	3109.12
127.39	3099.75
127.39	3089.96
127.39	3079.89
127.39	3069.4
127.39	3058.49
127.39	3047.16
127.39	3035.41
127.39	3023.24
127.39	3010.65
127.39	2997.5
127.39	2983.93
127.39	2969.8
127.39	2955.11
127.39	3075.22
127.39	3186.76
25	3322.73
127.39	6645.46
152.39	3458.01
152.39	3377.66
152.39	3440.33
127.39	3549.34
152.39	3682.65
152.39	3815.25
152.39	3947.02
152.39	3918.17
152.39	3925.69
127.39	4030.91
2826.54	4098.05

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# INSTALLMENT LOAN AGREEMENT

Loan No.: [REDACTED]

Projected Disbursement Date:  
Oct 4, 2021

Account ID:  
[REDACTED]

## CREDITOR:

Republic Bank & Trust Company  
4030 Smith Road  
Cincinnati, Ohio 45209

## BORROWER:

[REDACTED]

This is a consumer credit transaction. This Installment Loan Agreement ("**Agreement**") includes the disclosures above, the Federal Truth in Lending Act Disclosures below ("**TILA Disclosures**") and the Additional Terms. In this Agreement, the following terms have the following meanings: "**you**," "**your**" and "**I**" mean the Borrower named above. "**We**," "**our**," "**us**," and "**Lender**" refer to Republic Bank & Trust Company and/or its successors and assigns. "**Loan**" refers to the loan that Republic Bank & Trust Company is making to you in this Agreement. "**Principal Amount**" refers to the total amount loaned to you, including any Origination Fee (as defined below). "**Business Day**" means Monday through Friday, excepting Federal holidays.

HIGH COST CREDIT DISCLOSURE. This Loan is an expensive form of credit. Other credit options may be less expensive.

**THIS AGREEMENT INCLUDES AN ARBITRATION PROVISION. UNLESS YOU PROPERLY REJECT THE ARBITRATION PROVISION OR ARE A MEMBER OF THE ARMED FORCES OR A DEPENDENT OF SUCH A MEMBER COVERED BY THE FEDERAL MILITARY LENDING ACT, THE ARBITRATION PROVISION WILL HAVE A SUBSTANTIAL EFFECT ON YOUR RIGHTS IN THE EVENT OF A DISPUTE WITH US. FOR EXAMPLE, FOR ANY CLAIM SUBJECT TO ARBITRATION, YOU WILL NOT HAVE THE RIGHT TO A JURY TRIAL OR THE RIGHT TO PARTICIPATE IN A CLASS ACTION IN COURT OR IN ARBITRATION.**

## FEDERAL TRUTH-IN-LENDING ACT DISCLOSURES

ANNUAL PERCENTAGE RATE ("APR") The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid after you have made all payments as scheduled.
98.67% (e)	\$6,136.16 (e)	\$3,160.00	\$9,296.16 (e)

### Payment Schedule (e):

Your payment schedule will be 73 payments due every two weeks on Fridays, beginning Friday, Oct 15, 2021 and ending Friday, Jul 19, 2024, except that if any of these days is not a Business Day, your payment

Exhibit " C "

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will be due on the preceding Business Day. Each payment will be in the amount of \$127.39, except for your last payment which will be in the amount of \$124.08.

**Late Charge:** If you fail to make all or any part of a scheduled installment payment within 15 days of its due date, you may incur a late charge of \$25.00.

**Prepayment:** If you payoff early in full or in part, you  
 may  will not have to pay a penalty.

**Contract Reference:** See your Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

(e) means an estimate.

## ITEMIZATION OF AMOUNT FINANCED OF \$3,160.00

1. Total Loan amount (Principal Amount): \$3,160.00
2. Prepaid finance charge (Origination Fee): \$0.00
3. Amount given to you directly (1-2=3): \$3,160.00

## ADDITIONAL TERMS

**IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT:** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. What this means for you: When you open an account, we will ask for your name, address, date of birth, government ID number, or other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

Before we disburse Loan proceeds, we will seek to verify the information we have collected in connection with your request for a Loan. Such verification may require you to provide additional information to us. You agree that, in the event that we are unable to complete the verification to our satisfaction and the final approval of your Loan, we are not obligated to disburse Loan proceeds. If we do not disburse Loan proceeds, we will notify you at the e-mail address you provided to us.

If we are able to complete the final approval of your Loan and verification to our satisfaction, we will use commercially reasonable efforts to disburse Loan proceeds by the Projected Disbursement Date stated above. Certain of the TILA Disclosures are estimated (as indicated by the (e)) and are based on our expectation that Loan proceeds will be disbursed to you on the Projected Disbursement Date set forth above. Banking delays, Federal holidays, or delays in making contact with you to verify the information you have provided to us may cause the Loan proceeds to be disbursed later than the Projected Disbursement Date noted above.

## CANCELLATION.

You have the right to cancel this Loan until 6:00 PM Eastern Time on the next Business Day immediately following the day we disburse the proceeds of your Loan ("**Cancellation Deadline**"). To cancel, you must inform us of your intent to cancel in writing no later than the Cancellation Deadline via fax at (855) 878-1068 or via e-mail at [support@netcredit.com](mailto:support@netcredit.com). If the cancellation of your Loan is successful, all interest that has accrued and the Origination Fee, if any, will be waived and you will have no further payment obligations under this Agreement. If you seek to cancel, you authorize us to initiate an electronic fund transfer ("**EFT**") debit transaction through the Automated Clearing House ("**ACH**") network, to debit your Deposit Account (as defined below in the ELECTRONIC FUND TRANSFER AUTHORIZATION FOR YOUR LOAN PROCEEDS) for the

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amount given to you directly as specified in the ITEMIZATION OF AMOUNT FINANCED section above. **If we are not able to successfully debit your Deposit Account (through no fault of our own) or the debit attempt is returned unpaid, your Loan will not be canceled and your obligations under this Agreement will continue just as if you had not attempted to cancel.**

## SERVICING.

Any rights granted to us and any duties we have under this Agreement may be exercised or undertaken by servicers or other agents we designate. Unless and until we notify you otherwise, this Loan will be serviced by NetCredit Loan Services, LLC ("NetCredit").

## ASSIGNMENT.

We may sell, assign, or otherwise transfer this Loan and our rights under this Agreement and amounts owed by you to another creditor at any time. If we do so, this Agreement will remain in effect and will be binding on and will inure to the benefit of our assign(s). You may not transfer your rights under this Agreement. Any attempt to do so will be void.

## PROMISE TO PAY AND LATE CHARGE.

You promise to pay us the Principal Amount of \$3,160.00, plus interest, as described below, according to the Payment Schedule above (or any adjusted payment schedule subsequently agreed to by you and us), plus any other amounts you owe us under this Agreement.

*Origination Fee and other Charges.* If there is a prepaid finance charge specified on line two (2) of the Itemization of Amount Financed above ("**Origination Fee**"), it is included in the Principal Amount of this Loan, it is fully earned as of the date of this Agreement, and it is non-refundable, unless you cancel this Loan in accordance with the CANCELLATION section of this Agreement. Interest will accrue on the Origination Fee, if any, from the date Loan proceeds are disbursed. You also promise to pay the Origination Fee, if any, and any other charges provided for under this Agreement.

*Interest.* We charge interest on your Loan. Interest accrues beginning on the later of (i) the Projected Disbursement Date; or (ii) the date Loan proceeds are disbursed and is accrued until the earlier of (i) the date that your Loan is paid in full or (ii) the scheduled due date of the final installment payment for your Loan or (iii) as of the date your Loan is accelerated pursuant to the DEFAULT AND ACCELERATION provision of this Agreement.

The interest on your Loan is calculated using an "adjusted daily simple interest method" at an annual rate of 99.00% ("**Contract Rate**"). The "**Daily Rate**" is the Contract Rate divided by 365. We calculate the interest on a daily basis by multiplying the Adjusted Principal Balance of your Loan by the Daily Rate. "**Adjusted Principal Balance**" means the Principal Amount of your Loan, minus any payments that have been applied to the Principal Amount, and minus any part of the Principal Amount that is past due. If the daily interest includes a fraction of a cent, the daily interest is rounded down to the nearest whole cent. Interest will not be payable before it accrues and will not be compounded. Interest does not accrue on late charges, but it accrues on the Origination Fee, if any.

The "Finance Charge" stated in the TILA Disclosures above represents the Origination Fee, if any, and the amount of interest that you will pay under this Agreement if you receive your Loan proceeds on the Projected Disbursement date and you make all the scheduled installment payments on each due date. PLEASE NOTE: If the parties agree to an adjusted payment schedule, interest will accrue based on the adjusted payment schedule. However, you will not be required to pay more total interest than the Finance Charge, less the Origination Fee, if any, set forth in the TILA Disclosures above.

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*Payment Methods.* You may make payments on your Loan using any of the following permitted payment methods. We reserve the right to add or remove accepted payment methods at any time.

- **Recurring ACH (EFT – AutoPay):** You have indicated that you wish to make your payments via recurring electronic funds transfers debited from your Deposit Account. **You are not required to authorize us to initiate EFTs for your installment payments in order to qualify for a Loan.**
- **One-time ACH (EFT):** You may authorize us to initiate a one-time electronic fund transfer debited from your Deposit Account via your online account with us or by calling us at (877) 392-2014.
- **Check or Money Order:** By mailing your payment to Republic Bank & Trust Company, c/o NetCredit, P.O. Box 206766, Dallas, TX 75320-6766.
- **Other Payment Methods:** We may permit you to make payments using other payment methods from time to time. Please call us at (877) 392-2014 for more information.

For more information, please see [www.netcredit.com/faq](http://www.netcredit.com/faq) under "Repayment." The individual account ID and your name should be included with each payment—if we cannot identify you and your Loan, we may reject your payment. No correspondence should be included if you are mailing your payment. You may not pay any installment payment with a credit card.

*Due Dates.* You must make each payment by the date it is due, according to your Payment Schedule. In order for your payment to be considered timely, it must be received by the cut-off time applicable to your method of payment. One-time ACH payments must be authorized by 1 PM Eastern Time on the day before your payment due date to be considered timely. Any payment not actually received by us will not be considered timely. We reserve the right to change the cut-off time for any payment method at any time. For the cut-off time applicable to your method of payment and any changes to these cutoff times, please visit [www.netcredit.com/faq](http://www.netcredit.com/faq) and review the "How can I repay my personal loan or line of credit?" section.

*Late Charges.* You may incur a \$25.00 late charge if you fail to make the entire amount of a scheduled installment payment within 15 days of its due date. However, you will not incur a late charge if the delinquency is solely due to the non-payment of a prior late charge. If you incur any late charges, you agree to allow us to add the amount of such late charge to the amount of your next scheduled installment payment or to initiate a separate EFT or other payment for the late charge on or after the date of your next installment due date.

## **PREPAYMENT.**

You have the right to prepay your Loan in full or in part at any time. You will not incur an additional charge, fee or penalty for prepayment. If you prepay in full, you will not be entitled to a refund of the Origination Fee, if any, unless you cancel the Loan as described above in the **CANCELLATION** section of this Agreement. If you prepay in full or in part, you will not be entitled to any rebates. Prepayment of the Principal Amount may reduce the total amount of interest you pay under this Agreement, but a partial prepayment may not affect your obligation to make your next installment payment according to the Payment Schedule. Your prepayment will be applied as set forth in the **APPLICATION OF PAYMENTS** section below. To process a partial or full prepayment or receive a payoff balance, you should call us at (877) 392-2014, or tell us of your intent to prepay in writing via fax at (855) 878-1068 or e-mail at [support@netcredit.com](mailto:support@netcredit.com). You may also make a prepayment by using any permitted payment method(s) listed above in the Payment Methods section of this Agreement. Unless otherwise specified, any payoff amount we provide will be calculated as of the date we expect to seek payment from your Deposit Account for the balance owing or such other date we indicate.

## **APPLICATION OF PAYMENTS.**

If your Loan is current, we credit all payments to the currently due installment by applying the payment first to fees (excluding any Origination Fee), second to interest, and third to the portion of the Principal Amount then due (including any Origination Fee). All payments are credited as of the date we receive the payment.

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If any amount you owe is past due, payments will be applied first to satisfy any past due fees (excluding any Origination Fee), second to past due interest, third to the portion of the Principal Amount that is past due (including any Origination Fee), fourth to currently due fees (excluding any Origination Fee), fifth to currently due interest and sixth to the portion of the Principal Amount that is currently due (including any Origination Fee).

If we receive an early payment at least two Business Days before your next due date, the payment will be applied to your next-due installment. If such early payment is less than the amount of the next-due installment, then you must pay the difference on or before your next due date. If you have authorized payments by AutoPay, we will debit the difference between the amount paid and the amount due on your next due date.

If we receive a payment within two Business Days of that installment's due date or on the due date, it may not reduce the amount of any AutoPay we initiate on the due date. For more details, please visit <https://www.netcredit.com/faq#how-will-my-payment-be-applied>.

Making an installment payment in excess of what is due may reduce the total amount of interest you are scheduled to pay on your Loan under this Agreement and the amount of your remaining payments (starting with your last payment and working backwards). For example, if you have twelve (12) installments and you make a double payment on your second installment due date, then your extra payment will be applied to the outstanding Principal Amount, and you will still owe a regular installment payment on your third due date; however, your extra payment will likely reduce the amount of interest you pay and may reduce or eliminate one or more installment payments beginning with your twelfth (12th) scheduled installment payment).

## **CREDIT REPORTING.**

**You authorize and instruct us to obtain credit and other reports about you from time to time for any permissible purpose, including, but not limited to, the origination and maintenance of your Loan.**

**We may report information about your Loan to credit bureaus. Late payments, missed payments or other defaults on your Loan may be reflected in your credit report.**

**You have the right to dispute the accuracy of information we have reported. If you believe that any information about your Loan that we have furnished to a consumer reporting agency is inaccurate, or if you believe that you have been the victim of identity theft in connection with any Loan made by us, write to Republic Bank & Trust Company, c/o NetCredit, Attn: Legal Department, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. In your letter (i) provide your name and Loan number, (ii) identify the specific information that is being disputed, (iii) explain the basis for the dispute and (iv) provide any supporting documentation you have that substantiates the basis of the dispute. If you believe that you have been the victim of identity theft, please also submit an identity theft report to the address specified above.**

## **ELECTRONIC FUND TRANSFER AUTHORIZATION FOR YOUR LOAN PROCEEDS.**

**You authorize us to initiate an EFT to credit the checking account specified in your Loan application, or that you have previously identified to us or our servicer for purposes of receiving prior loan proceeds or making payments on a prior loan, or any substitute account you may later provide us ("Deposit Account") with the proceeds of your Loan. In the event that an error is made in processing this EFT, you further authorize us to initiate an EFT to the Deposit Account to correct such error.**

## **PAYMENT AUTHORIZATION.**

### **Optional Nature of Authorization**

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You are not required to authorize us to initiate EFTs for your installment payments in order to qualify for a Loan. You have the option of arranging to make your installment payments by a method that does not involve EFTs. You agree that making your installment payments by EFT is for your convenience. By entering the last four digits of your Social Security Number, signing this Payment Authorization and clicking the "I AGREE" button below, you acknowledge that you are voluntarily choosing to make your installment payments by EFT.

### **EFT Authorization for Installment Payments, Late Charges, Cancellation, and Error Correction**

You authorize us (which includes, for the purpose of this Payment Authorization, our servicers/service providers, successors and assigns and the servicers/service providers of our successors and assigns) to initiate an EFT through the ACH network (or another network of our choosing) to debit (or, in the case of an error, debit or credit, as applicable) your Deposit Account for the following amounts, on or after the date each such amount is due:

- Each of the installment payments due under the Agreement, up to the amount specified in the Payment Schedule (or, if you make a partial installment payment prior to the cut-off time for your payment method for your scheduled due date, the amount of the installment less the amount of any such payment) plus any applicable late charges on or after its due date;
- Each late charge of \$25.00, if any, which shall be due on the scheduled installment due date immediately following the date it is assessed;
- The final installment payment due, which may vary based upon payment history (including early payments or extra payments) during the course of the Agreement, on the final installment due date set forth in the Payment Schedule;
- In the event that you cancel the Loan as prescribed in the CANCELLATION provision above, the entire amount disbursed directly to you as stated above in the ITEMIZATION OF AMOUNT FINANCED section, within two (2) Business Days of timely cancellation; and
- The amount required to correct any error in processing an EFT (or that we otherwise discover) on or after the date the error is discovered.

You agree that we may resubmit any EFT that is returned due to insufficient funds in your Deposit Account up to two additional times, unless prohibited by applicable law or network rules. We may submit any EFT returned for any other reason as permitted by applicable law and network rules. You acknowledge that the origination of EFT transactions to the Deposit Account must comply with applicable provisions of U.S. law.

### **Modification of Payment Authorization**

Instead of or in addition to any of the EFTs described above, you may subsequently authorize us by phone, text message, e-mail, fax or by logging into the online Loan account to process one or more EFTs through the ACH network or another network of our choosing (including, for example, a payment card network) for payment on your Loan. If you, using any of the methods of contact described above, (i) specify the amount(s) and date(s) of the EFT(s); (ii) identify the Deposit Account from which the EFT(s) will be debited; and (iii) electronically sign an EFT authorization, then you authorize us to initiate EFTs from your Deposit Account in the amounts and on the dates that you specify (and, if necessary, to electronically correct any erroneous EFTs with debits or credits). All EFT transactions that you authorize must comply with applicable law and network rules.

### **Right to Stop Payment and Procedure for Doing So**

You may terminate one or all of the authorizations to initiate EFTs from the Deposit Account set forth above by calling us at (877) 392-2014 or writing to us via fax at (855) 878-1068, by e-mail at support@netcredit.com, or by mail at Republic Bank & Trust Company, c/o NetCredit, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604, in time for us to receive your request three (3) Business Days or more before the EFT is scheduled to be processed. If you call, we may also require you to confirm your stop payment order in writing and get it to us within fourteen (14) days after you call.

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In the event that you terminate this authorization, you will still be responsible for paying all amounts you owe us under this Agreement by using another permitted payment method.

### **Your Deposit Account Information**

You confirm that you own the Deposit Account, that your Deposit Account is an open and active consumer deposit account held at a U.S. financial institution, and that your Deposit Account is in good standing. If there is any missing or erroneous information concerning your Deposit Account or the financial institution that holds it, then you authorize us to verify and correct such information. You have given us certain information about your Deposit Account so that, among other things, we can verify the account number and routing number. You are responsible for updating us if there are any changes to your Deposit Account or information relating to your Deposit Account that may affect your Loan.

### **Fees Your Financial Institution May Charge You for Rejected Payments**

You understand that the financial institution holding your Deposit Account may impose additional fees in connection with returned or rejected EFTs, including when you have insufficient funds to cover a payment, and you agree that we do not have any liability regarding any such fees. **IN THE EVENT THAT YOU DO NOT HAVE SUFFICIENT FUNDS IN YOUR DEPOSIT ACCOUNT TO COVER THE AMOUNT OF ANY EFT AUTHORIZED HERE, YOU SHOULD CONTACT US AT LEAST THREE (3) BUSINESS DAYS IN ADVANCE OF YOUR NEXT SCHEDULED DUE DATE SO THAT WE CAN STOP THE EFT AND ARRANGE FOR AN ALTERNATIVE METHOD OF REPAYMENT.**

### **Range of Varying Amounts**

Your scheduled installment payments provided in the Payment Schedule shown above will vary if: (1) you make partial payments; (2) make prepayments; and/or (3) you are assessed any late charges pursuant to the Agreement. The range of your scheduled installment payments will normally not vary by more than the amount necessary for such adjustments and will be between \$0.01 and the amount indicated for each payment in the Payment Schedule of your TILA Disclosures above plus a late charge of \$25.00. If your scheduled installment payment exceeds the amount of your installment set forth in the Payment Schedule, plus any applicable late charges due, we will send you notice at least ten (10) days in advance of the payment.

You understand that you have the right to receive notice in advance of any payment amount that varies from that which is in your Payment Schedule. To receive advance notice of all varying amount payments, you may call us at (877) 392-2014, or write to us via e-mail at [support@netcredit.com](mailto:support@netcredit.com) or fax at (855) 878-1068.

### **Full Force and Effect**

This Payment Authorization will remain in full force and effect until the earlier of: (i) we receive full and final payment of the amounts you owe us under this Agreement; or (ii) we have received notification from you, as described above, of its termination. You must notify us at least three (3) Business Days in advance of your next scheduled due date, to afford us and the financial institution holding the Deposit Account a reasonable opportunity to act on your notice. If you do not notify us at least three (3) Business Days in advance of your next scheduled due date, the revocation of your payment authorization will be effective for your subsequent scheduled payment.

## **DEFAULT AND ACCELERATION.**

Subject to applicable law, which may require that we notify and/or give you a right to cure your default, we may declare you in default under this Agreement for any of the following reasons: (i) if you do not pay in full a payment within thirty (30) days of the due date set forth in the Payment Schedule or any adjusted payment

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schedule subsequently agreed to by you and us and confirmed by us in writing; (ii) if you violate any promise you make to us in this Agreement, which significantly impairs your ability to pay or our ability to collect the amounts due under this Agreement; (iii) if you file for protection under the United States Bankruptcy Code, or become subject to a proceeding which seeks relief from debt; (iv) if you have made a false or misleading statement about an important matter in connection with this Agreement, including your application for credit; or (v) you die or become legally incompetent.

In the event of default, we may (i) declare the entire outstanding balance that you owe under this Agreement, and any other applicable charges (as permitted by law), immediately due and payable; (ii) proceed to reduce our claim to a judgment in accordance with applicable law; and (iii) exercise any other rights we have under this Agreement or the law. To the extent permitted by applicable law, you agree to pay our court costs, reasonable attorneys' fees and other collection costs related to the default. PLEASE NOTE: Residents of Minnesota, Nebraska, Ohio, Oklahoma and Wyoming should see important terms regarding court costs, attorneys' fees and other collection costs below under "IMPORTANT NOTICES."

By choosing any one or more of these remedies listed above, we do not give up our right to use another remedy later. By deciding not to use any remedy should you be in default, we do not give up our right to consider the event a default if it happens again. We may delay or refrain from enforcing any of our rights under this Agreement without waiving such rights. You understand that any waiver of our rights will not be effective unless it is in writing signed by us.

## **GOVERNING LAW AND INTERPRETATION.**

**Except as otherwise expressly provided in this Agreement, this Agreement (other than the Arbitration Provision) and all related disputes are governed by applicable federal law and the laws of the Commonwealth of Kentucky, without regard to its conflict of law provisions.**

**Except as provided in the Arbitration Provision, if any provision of this Agreement is determined to be void, invalid or unenforceable under any applicable law, rule or regulation, it shall not affect the validity or enforceability of any other provision of this Agreement and such other provisions will remain valid and enforceable.**

**Kansas and Wyoming Residents Only: If you are a resident of Kansas or Wyoming, this Agreement is governed by the laws of Kansas or Wyoming, respectively, except to the extent preempted by federal law.**

## **CORRESPONDENCE.**

All notices to us must be sent to Republic Bank & Trust Company, c/o NetCredit, Attn: Legal Department, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. To the extent permitted under applicable law, any notice you send us will not be effective until we receive and have had a reasonable opportunity to act on such notice. Any written or electronic correspondence we send to you will be effective and deemed delivered when sent in accordance with any authorization for electronic communications you execute or mailed to you at your mailing address, as it appears on our records.

## **BANKRUPTCY.**

All bankruptcy notices and related correspondence to us must be sent to us at Republic Bank & Trust Company, c/o NetCredit, Attn: Legal Department, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. You promise that you have no current intent to file any bankruptcy petition and have not consulted a bankruptcy attorney in the past six (6) months.

## **CHANGE IN CIRCUMSTANCES.**

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[REDACTED]

We will rely on your mailing and e-mail addresses as they appear on our records for any and all communications we send you by mail or e-mail unless and until either you or, in the case of your mailing address, the U.S. Postal Service, notifies us of a change of address and we have had a reasonable opportunity to act on such notice. You agree to notify us of any changes to your name, mailing or e-mail address, or phone number (including your cell phone number) within fifteen (15) days by writing us at the Notice Address or going on [www.netcredit.com](http://www.netcredit.com) ("Website").

### **PARTIAL PAYMENTS MARKED PAYMENT IN FULL; SETTLEMENTS.**

Any check or other payment you send us for less than the total outstanding balance due under this Agreement that is marked "payment in full" or with any similar language or that you otherwise tender as full satisfaction of a disputed amount must be sent to Republic Bank & Trust Company, c/o NetCredit, P.O. Box 206766, Dallas, TX 75320-6766. We may deposit any such payment without such deposit effecting a satisfaction of the disputed amount. Any settlement of your account balance for less than what is owed requires our written agreement.

### **INADVERTENT OVERCHARGES.**

It is not our intention to charge any interest, fees or other amounts in excess of those permitted by applicable law or this Agreement. If any interest, fee or other amount is finally determined to be in excess of that permitted by applicable law or this Agreement, the excess amount will be applied to reduce the outstanding balance due under this Agreement or, if there is no outstanding balance, will be refunded to you.

### **CONTACTING YOU; PHONE AND TEXT MESSAGES; CALL RECORDING.**

You authorize us and our successors and assigns and the affiliates, agents, representatives, assigns and servicers/service providers of ours and our successors and assigns (collectively, the "Messaging Parties") to contact you using automatic telephone dialing systems, artificial or prerecorded voice message systems, text messaging systems and automated e-mail systems in order to provide you with information about this Agreement, including information about upcoming payment due dates, missed payments and returned payments. You authorize the Messaging Parties to make such contacts using any telephone numbers (including wireless, landline and VOIP numbers) or e-mail addresses you supply to the Messaging Parties in connection with this Agreement, the Messaging Parties' servicing and/or collection of amounts you owe the Messaging Parties or any other matter.

You understand that anyone with access to your telephone or e-mail account may listen to or read the messages the Messaging Parties leave or send you, and you agree that the Messaging Parties will have no liability for anyone accessing such messages. You further understand that, when you receive a telephone call, text message or e-mail, you may incur a charge from the company that provides you with telecommunications, wireless and/or Internet services, and you agree that the Messaging Parties will have no liability for such charges. You expressly authorize the Messaging Parties to monitor and record your calls with the Messaging Parties. You agree that this authorization is part of a bargained-for exchange. To the extent you have the right under applicable law to revoke your authorization, you agree you may only do so as to text messages by replying "STOP" to a text message we send you, and as to the calls authorized above by calling customer service at (877) 392-2014.

### **MILITARY LENDING ACT.**

#### **General**

The Military Lending Act provides important protections to certain members of the Armed Forces and their dependents ("Covered Borrowers") relating to extensions of consumer credit. The provisions of this section apply to Covered Borrowers. If you would like more information about whether you are a Covered Borrower and whether this section applies to you, please contact us at (877) 392-2014.

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## **Statement of MAPR**

**Federal law provides important protections to members of the Armed Forces and their dependents relating to extensions of consumer credit. In general, the cost of consumer credit to a member of the Armed Forces and his or her dependent may not exceed an Annual Percentage Rate of 36 percent. This rate must include, as applicable to the credit transaction or account: (1) the costs associated with credit insurance premiums; (2) fees for ancillary products sold in connection with the credit transaction; (3) any application fee charged (other than certain application fees for specific credit transactions or accounts); and (4) any participation fee charged (other than certain participation fees for a credit card account).**

## **Oral Disclosures**

**If you are a Covered Borrower, please call (877) 392-2014 before signing this Agreement for an oral disclosure of the statement of the military APR applicable to your Loan and a description of your payment obligation.**

## **Covered Borrowers Savings Clause**

**The provisions of this paragraph apply only to a "Covered Borrower" as that term is defined by 32 C.F.R. § 232.3(g). If any contract provision not identified herein is contrary to the rights and protections afforded to you by federal law pursuant to 10 U.S.C. § 987 and its implementing regulations, including, but not limited to 32 C.F.R. § 232.8, then the conflicting provisions or proscribed terms are inoperative, and shall have no force and effect. However, all remaining contract terms and provisions not proscribed or prohibited shall remain in full force and effect.**

## **MISCELLANEOUS.**

The section headings used in this Agreement are for convenience of reference only and do not in any way limit or define your or our rights or obligations hereunder. Except as otherwise provided in this Agreement or as required by applicable law, we will not be responsible for any claim or defense you may have against any third party that arises out of or in connection with this Agreement.

## **WAIVER OF JURY TRIAL.**

Unless prohibited by applicable law, if you sign this Agreement, you waive your right to have a jury trial to resolve any dispute you may have against us or a related third party. This Waiver of Jury Trial provision does not apply to you if, at the time of entering into this Agreement, you are a resident of Arkansas or a member of the armed forces or a dependent of such a member covered by the Federal Military Lending Act.

## **CLASS ACTION WAIVER.**

Unless prohibited by applicable law, if you sign this Agreement, you waive your right to ask a court or an arbitrator to allow you to pursue any claims on a class action basis or in a representative capacity on behalf of the general public, other borrowers or other persons similarly situated. Furthermore, claims brought by you against us or by us against you may not be joined or consolidated with claims brought by or against someone other than you, unless otherwise agreed to in writing by all parties. For purposes of this Class Action Waiver, the terms "we," "us" and "our" shall also include Republic Bank & Trust Company and each of its employees, directors, officers, shareholders, governors, managers, members, parent companies, affiliated entities, successors or assignees (including but not limited to NetCredit), the servicer of your Loan (including but not limited to NetCredit) and any third party who is named as a co-defendant with us in a claim asserted by you. In the event of a conflict between this CLASS ACTION WAIVER provision and the ARBITRATION PROVISION, the

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ARBITRATION PROVISION shall control. This CLASS ACTION WAIVER does not apply to you if, at the time of entering into this Agreement, you are a Covered Borrower under the Military Lending Act.

## **ARBITRATION PROVISION.**

Arbitration is a process in which persons with a dispute(s): (a) agree to submit their dispute(s) to a neutral third person (an "**arbitrator**") for a decision; and (b) waive their rights to file a lawsuit in court to resolve their dispute(s). Each party to the dispute(s) has an opportunity to present some evidence to the arbitrator. Pre-arbitration discovery may be limited. Arbitration proceedings are private and less formal than court trials. The arbitrator will issue a final and binding decision resolving the dispute(s), which may be enforced as a court judgment. A court rarely overturns an arbitrator's decision.

**THIS ARBITRATION PROVISION APPLIES UNLESS (1) YOU HAVE EXERCISED OR EXERCISE YOUR RIGHT TO REJECT ARBITRATION OR (2) AS OF THE DATE OF THIS AGREEMENT, YOU ARE A MEMBER OF THE ARMED FORCES OR A DEPENDENT OF SUCH MEMBER COVERED BY THE FEDERAL MILITARY LENDING ACT. IF YOU WOULD LIKE MORE INFORMATION ABOUT WHETHER YOU ARE COVERED BY THE MILITARY LENDING ACT, IN WHICH CASE THIS ARBITRATION PROVISION DOES NOT APPLY TO YOU, PLEASE CONTACT US AT (877) 392-2014.**

**READ THIS ARBITRATION PROVISION CAREFULLY AS IT WILL HAVE A SUBSTANTIAL IMPACT ON HOW LEGAL CLAIMS YOU AND WE HAVE AGAINST EACH OTHER ARE RESOLVED.**

**YOU HAVE THE RIGHT TO OPT-OUT OF (NOT BE BOUND BY) THIS ARBITRATION PROVISION AS DESCRIBED BELOW. IF YOU DO NOT DO SO:**

- a. **YOU ARE WAIVING YOUR RIGHT TO HAVE A JURY OR A COURT, OTHER THAN A SMALL CLAIMS COURT OR SIMILAR COURT OF LIMITED JURISDICTION, RESOLVE ANY CLAIM THAT IS SUBJECT TO ARBITRATION; and**
- b. **YOU ARE WAIVING YOUR RIGHT TO SERVE AS A REPRESENTATIVE, AS A PRIVATE ATTORNEY GENERAL, OR IN ANY OTHER REPRESENTATIVE CAPACITY, AND/OR TO PARTICIPATE AS A MEMBER OF A CLASS OF CLAIMANTS, IN COURT OR IN ARBITRATION WITH RESPECT TO ANY CLAIM THAT IS SUBJECT TO ARBITRATION.**

THEREFORE, YOU ACKNOWLEDGE AND AGREE AS FOLLOWS:

### **Interstate Commerce**

This Arbitration Provision is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act ("FAA"), 9 U.S.C. § 1 et seq., and not by any state arbitration law.

### **Scope**

For purposes of this Arbitration Provision, the word "**Claim**" has the broadest possible meaning and includes, without limitation (a) all federal or state law claims, disputes or controversies, whether preexisting, present or future, arising from or relating directly or indirectly to this Agreement, the relationship between you and us, the information you gave us before entering into this Agreement, including your application, and/or any past agreement or agreements between you and us, any loan or credit product or related product or services obtained from us and any advice, recommendations, solicitations, communications, disclosures, promotions or advertisements concerning the same; (b) all initial claims, counterclaims, cross-claims and third-party claims and claims which arose before the effective date of this Arbitration Provision; (c) all common law claims based upon contract, tort, fraud, or other intentional torts; (d) all claims based upon a violation of any local, state or federal constitution, statute, ordinance or regulation, including without limitation all claims alleging unfair, deceptive or

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unconscionable trade practices; (e) all claims asserted by us against you, including claims for money damages to collect any sum we claim you owe us; (f) all claims asserted by you individually against us and/or any of our employees, directors, officers, shareholders, governors, managers, members, parent company or affiliated entities, or assignees (including but not limited to NetCredit) or against the servicer of your Loan (including but not limited to NetCredit) (hereinafter collectively referred to as "**related third parties**"), including claims for money damages, restitution and/or equitable or injunctive relief; (g) claims asserted by you against other persons and entities if you assert a Claim against such other persons and entities in connection with a Claim you assert against us or related third parties; and (h) all data breach or privacy claims arising from or relating directly or indirectly to the disclosure by us or related third parties of any non-public personal information about you. Notwithstanding the foregoing, the word "Claim" does not include any dispute or controversy about the validity, enforceability, coverage or scope of this Arbitration Provision or any part thereof (including, without limitation, the provision titled "Class Action Waiver" set forth below, subparts A and B of the provision titled "Binding Effect; Survival; Severability" set forth below and/or this sentence); all such disputes or controversies are for a court and not an arbitrator to decide. However, any dispute or controversy that concerns the validity or enforceability of the Agreement as a whole is for the arbitrator, not a court, to decide. In addition, this Arbitration Provision will not apply to (1) any individual action brought by you in small claims court or your state's equivalent court, unless such action is transferred, removed, or appealed to a different court; or (2) any disputes that are the subject of a class action filed in court that is pending as of the effective date of this Arbitration Provision in which you are alleged to be a member of the putative class for as long as such class action is pending.

### **Class Action Waiver**

**Notwithstanding any other provision of this Arbitration Provision, if either you or we elect to arbitrate a Claim, neither you nor we will have the right: (a) to participate in a class action, private attorney general action or other representative action in court or in arbitration, either as a class representative or class member, or (b) to join or consolidate Claims with Claims of any other persons. (Provided, however, that the Class Action Waiver does not apply to any lawsuit or administrative proceeding filed against us by a state or federal government agency even when such agency is seeking relief on behalf of a class of borrowers including you. This means that we will not have the right to compel arbitration of any claims brought by such an agency). An award in arbitration shall determine the rights and obligations of the named parties only, and only with respect to the Claim(s) in arbitration, and shall not (i) determine the rights, obligations, or interests of anyone other than a named party, or resolve any Claim of anyone other than a named party; nor (ii) make an award for the benefit of, or against, anyone other than a named party. No arbitration administrator or arbitrator shall have the power or authority to waive, modify, or fail to enforce this section, and any attempt to do so, whether by rule, policy, arbitration decision or otherwise, shall be invalid and unenforceable. Any challenge to the validity of this Class Action Waiver shall be determined exclusively by a court and not by the administrator or any arbitrator.**

### **Electing Arbitration**

A party may elect arbitration of a Claim by sending the other party written notice by certified mail return receipt requested of their intent to arbitrate and setting forth the subject of the dispute along with the relief requested. Your notice must be sent to NetCredit, Attn: General Counsel, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604, and our notice must be sent to the most recent address for you in our files. If a lawsuit concerning the Claim has been filed, such notice can be provided by papers filed in the lawsuit, such as a motion to compel arbitration.

### **Administrator**

Regardless of who demands arbitration, you shall have the right to select either of the following arbitration organizations to administer the arbitration: the American Arbitration Association, 120 Broadway, Floor 21, New York, NY 10271 (1-800-778-7879), <http://www.adr.org>; or JAMS, 8401 N. Central Expressway, Suite 610,

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Dallas, TX 75225 (1-800-352-5267), <http://jamsadr.com>. However, the parties may agree to a local arbitrator who is an attorney, retired judge, or arbitrator registered and in good standing with a bona fide arbitration association and arbitrate pursuant to the arbitrator's rules. If the AAA and JAMS are unable or unwilling to serve as administrator, or the parties are unable to agree upon another administrator, a court with jurisdiction shall determine the administrator or arbitrator. The arbitration hearing will take place at a location reasonably convenient to where you reside.

If you demand arbitration, you must inform us in your demand of the arbitration organization you have selected or whether you desire to select a local arbitrator. If related third parties or we demand arbitration, you must notify us within 20 days in writing by certified mail, return receipt requested, of your decision to select an arbitration organization or your desire to select a local arbitrator. Your notice must be sent to NetCredit, Attn: General Counsel, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. If you fail to notify us, then we have the right to select an arbitration organization. The arbitration will be governed by the rules and procedures of this arbitration organization applicable to individual consumer disputes. You may get a copy of the rules and procedures by contacting the arbitration organization listed above. In an event of a conflict between the provisions of the Arbitration Provision, on the one hand, and any applicable rules of the AAA or JAMS or other administrator used or any other terms of this Agreement, on the other hand, the provisions of this Arbitration Provision shall control. If a party files a lawsuit in court asserting Claim(s) that are subject to arbitration and the other party files a motion to compel arbitration with the court which is granted, it will be the responsibility of the party prosecuting the Claim(s) to select an arbitration administrator in accordance with this paragraph and commence the arbitration proceeding in accordance with the administrator's rules and procedures.

### **Non-Waiver**

Even if all parties have opted to litigate a Claim in court, you or we may elect arbitration with respect to any Claim made by a new party or any Claim later asserted by a party in that or any related or unrelated lawsuit (including a Claim initially asserted on an individual basis but modified to be asserted on a class, representative or multi-party basis). Nothing in that litigation shall constitute a waiver of any rights under this Arbitration Provision. For example, if we file a lawsuit against you in court to recover amounts due under the Agreement, you have the right to request arbitration, but if you do not elect to request arbitration, we reserve and do not waive the right to request arbitration of any Claim (including any counterclaim) you later assert against us in that or any related or unrelated lawsuit. This Arbitration Provision will apply to all Claims, even if the facts and circumstances giving rise to the Claims existed before the effective date of this Arbitration Provision.

### **Arbitrator and Award**

Any arbitrator must be a practicing attorney with ten or more years of experience or a retired judge. The arbitrator will not be bound by judicial rules of procedure or evidence that would apply in a court, nor by state or local laws that relate to arbitration proceedings. The arbitrator will apply the same statutes of limitations and privileges that a court would apply if the matter were pending in court. The arbitrator may decide, with or without a hearing, any motion that is substantially similar to a motion to dismiss for failure to state a claim or a motion for summary judgment. In determining liability or awarding damages or other relief, the arbitrator will follow the applicable substantive law, consistent with the FAA, which would apply if the matter had been brought in court. The arbitrator may award any damages or other relief or remedies that would apply under applicable law to an individual action brought in court, including, without limitation, punitive damages (which shall be governed by the Constitutional standards employed by the courts) and injunctive, equitable and declaratory relief (but only in favor of the individual party seeking relief and only to the extent necessary to provide relief warranted by that party's individual claim). No arbitration award involving the parties will have any preclusive effect as to issues or claims in any dispute involving anyone who is not a party to the arbitration, nor will an arbitration award in prior disputes involving other parties have preclusive effect in an arbitration between the parties to this Arbitration Provision.

### **Fees and Costs**

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At your written request, we will pay all filing, hearing and/or other fees charged by the administrator and arbitrator to you for Claim(s) asserted by you in an individual arbitration after you have paid an amount equivalent to the fee, if any, for filing such Claim(s) in state or federal court (whichever is less) in the judicial district in which you reside. (If you have already paid a filing fee for asserting the Claim(s) in court, you will not be required to pay that amount again). We will not seek reimbursement of such fees from you even if we prevail in the arbitration. In addition, the administrator may have a procedure whereby you can seek a waiver of fees charged to you by the administrator and arbitrator. We will always pay any fees or expenses that we are required to pay by law or the administrator's rules or that we are required to pay for this Arbitration Provision to be enforced. The arbitrator will have the authority to award fees and costs of attorneys, witnesses and experts to the extent permitted by this Agreement, the administrator's rules or applicable law. With respect to Claim(s) asserted by you in an individual arbitration, we will pay your reasonable attorney, witness and expert fees and costs if and to the extent you prevail, if applicable law requires us to or if we must bear such fees and costs in order for this Arbitration Provision to be enforced. At the timely request of either party, the arbitrator shall write a brief explanation of the grounds for the decision.

### **Appeal**

The arbitrator's award shall be final and binding on all parties, except for any right of appeal provided by the FAA. However, if the amount in controversy exceeds \$50,000, and if permitted by the Administrator's rules, you or we can, within 14 days after the entry of the award by the arbitrator, appeal the award to a three-arbitrator panel administered by the Administrator. The panel shall reconsider anew any aspect of the initial award requested by the appealing party. The decision of the panel shall be by majority vote. Reference in this Arbitration Provision to "the arbitrator" shall mean the panel if an appeal of the arbitrator's decision has been taken. The costs of such an appeal will be borne in accordance with the paragraph above titled "Fees and Costs." Any final decision of the appeal is subject to judicial review only as provided under the FAA. A judgment on the award may be entered by any court having jurisdiction.

### **Notice and Cure; Special Payment**

Prior to initiating a Claim, you may send us a written Claim Notice. In order for a Claim Notice to be valid and effective, it must: (a) state your name, address and loan number; (b) be signed by you; (c) describe the basis of your Claim and the amount you would accept to resolve the Claim; (d) state that you are exercising your rights under the "Notice and Cure" paragraph of the Arbitration Provision; and (e) be sent to us by certified mail, return receipt requested, at NetCredit, Attn: General Counsel, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. This is the sole and only method by which you can submit a Claim Notice. Upon receipt of a Claim Notice, we will credit you for the standard cost of a certified letter. You must give us a reasonable opportunity, not less than 30 days, to resolve the Claim. If, and only if, (i) you submit a Claim Notice in accordance with this paragraph on your own behalf (and not on behalf of any other party); (ii) you cooperate with us by promptly providing the information we reasonably request; (iii) we refuse to provide you with the relief you request before an arbitrator is appointed; and (iv) the matter then proceeds to arbitration and the arbitrator subsequently determines that you were entitled to such relief (or greater relief), you will be entitled to a minimum award of at least \$7,500 (not including any arbitration fees and attorneys' fees and costs to which you will also be entitled). We encourage you to address all Claims you have in a single Claim Notice and/or a single arbitration. Accordingly, this \$7,500 minimum award is a single award that applies to all Claims you have asserted or could have asserted in the arbitration, and multiple awards of \$7,500 are not contemplated.

### **Binding Effect; Survival; Severability**

This Arbitration Provision is binding upon and benefits you, your respective heirs, successors and assigns. The Arbitration Provision is binding upon and benefits us, our successors and assigns, and related third parties. The Arbitration Provision shall survive any bankruptcy to the extent consistent with applicable bankruptcy law. The Arbitration Provision survives any termination, amendment, expiration or performance of this Agreement and any transaction between you and us and continues in full force and effect unless you and we otherwise agree in

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writing. If any part of this Arbitration Provision is deemed or found to be unenforceable for any reason, the remainder shall be enforceable, except as follows:

- A. The parties to this Arbitration Provision acknowledge that the provision titled "Class Action Waiver" is material and essential to the arbitration of any disputes between the parties and is non-severable from this Arbitration Provision. If the Class Action Waiver is limited, voided or found unenforceable, then the parties' Arbitration Provision (except for this sentence) shall be null and void with respect to such proceeding, subject to the right to appeal the limitation or invalidation of the Class Action Waiver. The parties acknowledge and agree that under no circumstances will a class action be arbitrated.
- B. If a Claim is brought seeking public injunctive relief and a court determines that the restrictions in the provision titled "Class Action Waiver" prohibiting the arbitrator from awarding relief on behalf of third parties are unenforceable with respect to such Claim (and that determination becomes final after all appeals have been exhausted), the Claim for public injunctive relief will be determined in court and any individual Claims seeking monetary relief will be arbitrated. In such a case the parties will request that the court stay the Claim for public injunctive relief until the arbitration award pertaining to individual relief has been entered in court. In no event will a Claim for public injunctive relief be arbitrated.

### Opt-Out Process

You may choose to opt out of this Arbitration Provision but only by following the process set forth below. If you do not wish to be subject to this Arbitration Provision, then you must notify us in writing postmarked within sixty (60) calendar days of the date of this Agreement at the following address: NetCredit, Attn: General Counsel, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. Your notice must be sent to us by certified mail, return receipt requested. Upon receipt of an Opt-Out Notice, we will credit you for the standard cost of a certified letter. Your Opt-Out Notice must include your name, address, Social Security number, the date of this Agreement, a statement that you wish to opt out of the Arbitration Provision and must not be sent with any other correspondence. Indicating your desire to opt out of this Arbitration Provision will not affect your other rights or responsibilities under this Agreement and applies only to this Arbitration Provision between you and us.

### **REASONABLE ACCOMMODATION.**

Individuals with disabilities who require an accommodation to access our products or services should contact us via email at support@netcredit.com; by telephone at (877) 392-2014; or by mail at Republic Bank & Trust Company, c/o NetCredit, Attn: General Counsel, 175 W. Jackson Blvd., Suite 1000, Chicago, IL 60604. Please note that we may need advance notice to provide certain accommodations.

### **IMPORTANT NOTICES.**

#### All Borrowers

You agree that we may obtain your credit report in connection with any transaction, or extension of credit, and on an ongoing basis, for the purpose of reviewing this Agreement, taking collection action on this Agreement, or for any other legitimate purposes associated with this Agreement. Upon your request, you will be informed of whether or not a consumer credit report was ordered, and if it was, you will be given the name and address of the consumer reporting agency that furnished the report. **As required by law, you are hereby notified that a negative credit report reflecting on your credit record may be submitted to a credit reporting agency if you fail to fulfill the terms of your credit obligations.**

#### All Borrowers

**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT MAY NOT BE ENFORCEABLE UNDER THE APPLICABLE LAW OF THE STATE WHERE YOU RESIDE. TO PROTECT YOU (AS THE**

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**BORROWER) AND US (AS THE LENDER) FROM MISUNDERSTANDING OR DISAPPOINTMENT, YOU (AS BORROWER) AND WE (AS LENDER) ACKNOWLEDGE AND AGREE THAT THERE ARE NO UNWRITTEN OR ORAL AGREEMENTS BETWEEN YOU AND US; (2) THAT THIS WRITTEN AGREEMENT IS A FINAL EXPRESSION OF THE AGREEMENT BETWEEN YOU AND US; AND (3) THAT THIS AGREEMENT MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THE TERMS OF THIS AGREEMENT MAY NOT BE CHANGED EXCEPT IN A WRITING SIGNED BY YOU AND US. NO CHANGE SHALL RELEASE ANY PARTY FROM LIABILITY UNLESS OTHERWISE EXPRESSLY STATED IN WRITING.**

**ALL OF OUR RIGHTS ARE CUMULATIVE. IF WE APPROVE THIS AGREEMENT, THEN YOU AGREE THAT THIS AGREEMENT WILL BE BINDING AND ENFORCEABLE AS TO BOTH PARTIES.**

### **Florida Residents**

Florida documentary stamp tax required by law in the amount of \$0.00 has been paid or will be paid directly by us to the Department of Revenue. Certificate of Registration No. 61-8000075542-6.

### **Minnesota, Nebraska, Ohio, Oklahoma and Wyoming Residents**

No provision(s) in this Agreement providing for the payment of attorneys' fees, court costs or collection costs by you shall apply.

### **New Jersey Residents**

(1) The section headings of the Agreement are a table of contents and not contract terms. (2) You agree to pay our reasonable attorney's fees, up to 20% of outstanding principal and interest, paid in the collection of this Account to an attorney who is not our employee. (3) Provisions of this Agreement that refer to acts or practices that apply as permitted by, or except as prohibited by, applicable law are applicable to New Jersey residents only to the extent that such acts or practices are permitted by New Jersey or Federal law.

### **Ohio Residents**

Ohio laws against discrimination require that all creditors make credit equally available to all creditworthy customers and that credit reporting agencies maintain separate credit histories on each individual upon request. The Ohio Civil Rights Commission administers compliance with this law.

## **ELECTRONIC SIGNATURES AND CONSENTS.**

By clicking the "I AGREE" button below and providing any additional information as may be requested below, you understand and acknowledge that you are taking the following three (3) separate actions:

### **1. PAYMENT AUTHORIZATION**

By typing in the last four digits of your Social Security Number and clicking the "I Agree" button below, you are electronically signing the Payment Authorization, and you certify that you have fully read and understood the sections of this Agreement titled "PAYMENT AUTHORIZATION" and "ELECTRONIC FUND TRANSFER AUTHORIZATION FOR YOUR LOAN PROCEEDS", you agree to comply with, and be bound by, their terms, and you agree and understand that you are authorizing us to credit your Deposit Account with the proceeds of your Loan and to debit the Deposit Account for the amounts owed under this Agreement as set forth in those sections.

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Enter the last 4 digits of your Social Security Number

Please note that we separately authenticate the above electronic signature when you click the "I Agree" button below

## 2. AGREEMENT TO INSTALLMENT LOAN AGREEMENT

By entering your name and Social Security Number and clicking the "I AGREE" button below, you are electronically signing this Agreement and acknowledging that (a) you understand that Republic Bank & Trust Company is your Lender under the above Agreement; (b) the Agreement was completed before you signed it, there are no blank spaces, and that you have reviewed the entire Agreement, including the FEDERAL TRUTH-IN-LENDING ACT DISCLOSURES; (c) you have reviewed and agree to Republic Bank & Trust Company's PRIVACY NOTICE and NetCredit's PRIVACY POLICY and TERMS OF USE; (d) you acknowledge that your right to file suit against us for any claim or dispute regarding this Agreement is limited by the WAIVER OF JURY TRIAL, CLASS ACTION WAIVER and ARBITRATION PROVISION sections of this Agreement, if applicable; (e) you represent that you are not a debtor under any proceeding in bankruptcy and have no intention to file a petition for relief under any chapter of the United States Bankruptcy Code; and (f) you acknowledge that you have read and understood all of the terms of this Agreement (including the provisions mentioned above), and you agree to comply with, and be bound by, all of the terms of this Agreement.

Please note that when you click the "I Agree" button below, we authenticate your electronic signature and we also separately authenticate your electronic signature for the PAYMENT AUTHORIZATION that you separately and voluntarily entered above.

YOU SHOULD PRINT AND RETAIN A COPY OF THIS AGREEMENT FOR YOUR RECORDS. AN ELECTRONIC COPY WILL BE MAINTAINED ON THIS WEBSITE IN YOUR PASSWORD PROTECTED CUSTOMER HISTORY.

Any comments or questions may be directed to our Customer Comment Line at the following toll-free number: (877) 392-2014 or via e-mail to [support@netcredit.com](mailto:support@netcredit.com).

## 3. CONSENT TO ELECTRONIC SIGNATURES

By clicking the "I AGREE" button below, you have consented to sign this Agreement using an electronic signature, you intend: (i) your electronic signature to be an electronic signature under applicable federal and state law; (ii) any printout of an electronic record of this Agreement and related notices to be an original document; (iii) to conduct business with Lender by electronic records and electronic signatures; and (iv) this Agreement will not be governed by Article 3 of the Uniform Commercial Code.

### NOTICE TO BORROWER

(a) **DO NOT SIGN THIS AGREEMENT BEFORE YOU READ THE WRITING ABOVE, EVEN IF OTHERWISE ADVISED.**

**CAUTION—IT IS IMPORTANT THAT YOU THOROUGHLY READ THE AGREEMENT BEFORE YOU SIGN IT.**

(b) **DO NOT SIGN THIS AGREEMENT IF IT CONTAINS ANY BLANK SPACES.**

(c) **YOU ARE ENTITLED TO AN EXACT COPY OF ANY AGREEMENT YOU SIGN.**

(d) **YOU HAVE THE RIGHT AT ANY TIME TO PAY IN ADVANCE THE REMAINING BALANCE DUE UNDER THIS AGREEMENT WITHOUT PENALTY.**

4/16/24, 4:20 PM

**BY CLICKING "I AGREE" BELOW, YOU UNDERSTAND AND AGREE THAT WE WILL OBTAIN YOUR CREDIT REPORT, WHICH MAY IMPACT YOUR CREDIT SCORE.**

Signature block: Signed At: 11:02 PM on October 3, 2021 Connected From: [REDACTED] Signed By [REDACTED]

[REDACTED] Signed As: [REDACTED] Contract: {SHA}

5b81ab1b59cfd465a99b13630922a2a988cf37dc ACH Authorization: {SHA}

a73046191be3ad4ee527a320cedac359fd313c54 Republic Bank Signature Block: Signed at: 10:15 AM on

October 04, 2021 Signed by: Republic Bank & Trust Company Republic Bank: {SHA}

226d5b772ccb859882cd72a3706c68cc58e6bff3



Submitted via Email to: [hypo.applications@chi.frb.org](mailto:hypo.applications@chi.frb.org)

February 27, 2026

Benjamin W. McDonough, Deputy Secretary of the Board,  
Board of Governors  
20th Street and Constitution Avenue NW  
Washington, DC 20551-0001

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: *Enova International, Inc., Chicago, Illinois*; Application to become a bank holding company by merging with Grasshopper Bancorp, Inc., and thereby indirectly acquiring Grasshopper Bank, N.A., both of New York, New York, through a merger with a newly formed subsidiary, Enova Interim Bank, N.A., South Jordan, Utah

Dear Governor McDonough and Vice President Fried:

New Jersey Citizen Action is a statewide nonprofit organization advancing social, racial, and economic justice for all through education and advocacy. NJ Appleseed is a statewide nonprofit law and policy center dedicated to advancing social and economic justice through research, advocacy, and systemic reform. We write to express serious concerns regarding Enova International, Inc.'s ("Enova") application to acquire Grasshopper Bank. We respectfully request that the Federal Reserve:

1. Deny Enova's application to become a national bank holding company.
2. Hold a public hearing to fully explore the harms this merger would bring to communities, including New Jersey consumers.
3. Extend a public comment period by 60 days to allow impacted community groups sufficient time to provide substantive input.

New Jersey Citizen Action and NJ Appleseed work to build a state where everyone has a voice and equal opportunity to thrive, regardless of race, gender, or socioeconomic status. We organize alongside families who are disproportionately targeted by high-cost financial products, working people, communities of color, immigrants, seniors, and households living paycheck to paycheck. When residents turn to small-dollar credit after a medical emergency, job loss, car repair, or rent increase, they need fair and affordable options that support stability, that comply with New Jersey's longstanding usury limit of 30%. They do not need loans carrying 100% to 300% APR that deepen financial insecurity and trap borrowers in cycles of debt.

Enova’s application repeatedly references targeting “underserved communities.” But in what way? Underserved communities must not be targeted with unaffordable and unsafe loans. They are communities that have historically faced systemic discrimination in financial markets and deserve access to safe, affordable lending. Enova’s track record raises serious concerns about whether it can meet that obligation under a national bank charter.

### I. Enova’s Lending Practices Are Already Harming New Jersey Borrowers

New Jersey has long maintained strong consumer protection laws that limit excessive interest rates and protect families from predatory lending. Yet, Enova has continued to reach New Jersey borrowers through Rent-A-Bank schemes designed to circumvent state protections.

Enova, which operates the payday and installment lender CashNetUSA, uses the NetCredit brand in partnership with FDIC-supervised banks, including Republic Bank & Trust (Kentucky) and Capital Community Bank (Utah), to make installment loans of \$2,500 to \$10,000 with APRs up to 99.99% in states that do not allow those rates for loans of that size.<sup>1</sup> This activity is occurring in New Jersey.

These are not abstract regulatory concerns. Since 2023, at least 67 complaints have been filed with the Consumer Financial Protection Bureau (“CFPB”) by New Jersey residents against Enova.<sup>2</sup> The complaints reflect deeply troubling and consistent patterns, including:

- Unexpected fees and interest charges
- Incorrect information reported to credit bureaus
- Loan payments not properly credited
- Borrowers making consistent payments and yet unable to reduce their principal balance

Many New Jersey borrowers report that they did not understand how high the true cost of the loan would be, or that biweekly payments would largely go toward interest rather than principal.

One borrower explained:

*I was in need of assistance to pay my mortgage and provide food for my family. I received a mailer from NetCredit with what appeared to be a favorable interest rate, and I had seen their advertisements on TV. I realize now that I should have conducted more thorough research. I took out a {\$4000.00} loan with biweekly payments of {\$100.00}. However, since XX/XX/XXXX, I have only seen {\$7.00}*

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<sup>1</sup> “High-Cost Rent-a-Bank Loan Watch List,” NCLC (Feb. 26, 2026), available at <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.

<sup>2</sup> Consumer Complaint Database, CFPB (accessed Feb. 27, 2026), available at [https://www.consumerfinance.gov/data-research/consumer-complaints/search/?company=ENOVA%20INTERNATIONAL%2C%20INC.&dateRange=3y&date\\_received\\_max=2026-02-26&date\\_received\\_min=2023-02-26&has\\_narrative=true&page=1&product=Payday%20loan%2C%20title%20loan%2C%20personal%20loan%2C%20or%20advance%20loan&product=Payday%20loan%2C%20title%20loan%2C%20or%20personal%20loan&searchField=all&size=25&sort=created\\_date\\_desc&state=NJ&tab=List](https://www.consumerfinance.gov/data-research/consumer-complaints/search/?company=ENOVA%20INTERNATIONAL%2C%20INC.&dateRange=3y&date_received_max=2026-02-26&date_received_min=2023-02-26&has_narrative=true&page=1&product=Payday%20loan%2C%20title%20loan%2C%20personal%20loan%2C%20or%20advance%20loan&product=Payday%20loan%2C%20title%20loan%2C%20or%20personal%20loan&searchField=all&size=25&sort=created_date_desc&state=NJ&tab=List).

*{ \$9.00 } being applied toward the principal. If I make an additional payment to reduce the principal, they only accept an amount equal to { \$100.00 }. I was unaware that the company had numerous predatory lending cases against them. When I reached out for assistance, I received no support. I have made { \$1900.00 } in payments so far, and my current principal balance is { \$3800.00 }. This situation seems unreasonable, as I have been making payments since XXXX of XXXX. I require assistance, as I can not continue making these payments without seeing any reduction in my principal balance.<sup>3</sup>*

This account reflects the lived experience of many financially vulnerable families: loans marketed as short-term relief become long-term debt traps. Payments that barely reduce principal prolong financial instability and drain resources from households already struggling with rising housing, food, and healthcare costs.

Granting Enova a national bank charter would not introduce a new product into New Jersey. It would formalize and expand a model that is already extracting wealth from New Jersey families while insulating it from meaningful state oversight.

## II. Enova Does Not Meet the Convenience and Needs of Communities Served

Under Section 3(c)(2) of the Bank Holding Company Act, the Federal Reserve must evaluate whether this transaction would serve the convenience and needs of the communities to be served.<sup>4</sup> That standard requires more than technical compliance; it requires that banking institutions strengthen local economies, promote stability, and operate in a manner consistent with long-term community well-being.

Enova's application states that it intends to migrate its existing high-cost lending products, including NetCredit installment loans and lines of credit and OnDeck small business loans, to the resulting bank. NetCredit currently lends at 99.99% APR, and other Enova products lend at rates as high as 325% APR.<sup>5</sup> CashNetUSA loans range from 149% to 325% APR.

Loans carrying triple-digit interest rates fundamentally undermine community financial stability and cannot satisfy the statutory convenience and needs standard. When families pay 100% or 300% APR, dollars that could support rent, groceries, childcare, healthcare, or savings are diverted to interest payments. These products increase the likelihood of repeat borrowing and default, extracting wealth from neighborhoods already facing economic strain.

For communities of color and low-income communities in New Jersey, which have long experienced discriminatory lending practices and wealth stripping, allowing this kind of triple-digit lending would exacerbate racial and economic inequality.

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<sup>3</sup> Complaint 14213685, CFPB (June 23, 2025), available at <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/14213685>.

<sup>4</sup> 12 U.S.C. 1841 *et seq.*

<sup>5</sup> "High-Cost Rent-A-Bank Loan Watch List," NCLC (Feb. 26, 2026), available at <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.



These concerns are not hypothetical. In 2019, the CFPB found that Enova violated federal law by debiting consumers' bank accounts without authorization and failing to honor loan extensions. In 2023, the CFPB determined that Enova violated that order and again engaged in unauthorized debiting practices, resulting in a \$15 million civil penalty.<sup>6</sup> Although the order was later terminated, the repetition of the same unlawful conduct after a federal enforcement order raises serious questions about future compliance and warrants close scrutiny.

Communities need access to safe and affordable credit products that promote economic mobility, not business models that profit from prolonged financial distress. Granting Enova a national bank charter would not simply maintain its current operations; it would expand and insulate a predatory lending model from compliance with important New Jersey consumer protections, including our long-standing usury cap.

\* \* \*

For New Jersey families, this application is not an abstract regulatory question. It is about whether federal banking authority will be used to advance economic justice or to expand high-cost lending practices that disproportionately harm working-class communities and communities of color.

The Bank Holding Company Act requires the Federal Reserve to ensure that any approved transaction affirmatively serves the convenience and needs of the communities to be served. Based on Enova's history of high-cost lending, attempts to evade state rate caps, and repeated consumer protection violations, this application does not meet that standard.

New Jersey Citizen Action and NJ Appleseed respectfully urge the Federal Reserve to deny Enova's application. The volume and gravity of these concerns warrant a public hearing and a 60-day extension of the comment period so that impacted communities across New Jersey and the nation can be fully heard before any decision is made.

Sincerely,

Beverly Brown Ruggia  
Financial Justice Program Director  
New Jersey Citizen Action  
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625 Broad Street  
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Renee Steinhagen  
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[renee@njappleseed.org](mailto:renee@njappleseed.org)  
23 James Street  
Newark, NJ 07102

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<sup>6</sup> "CFPB Fines Repeat Offender Enova \$15 Million for Violating Order, Deceiving Customers, and Withdrawing Funds Without Consent," CFPB Newsroom (Nov. 15, 2023), available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-fines-repeat-offender-enova-15-million-for-violating-order-deceiving-customers-and-withdrawing-funds-without-consent/>.



Center for Responsible Lending

Submitted via Email to: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

February 27, 2026

Benjamin W. McDonough, Deputy Secretary of the Board  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551-0001

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: *Enova International, Inc., Chicago, Illinois*; Application to become a bank holding company by merging with Grasshopper Bancorp, Inc., and thereby indirectly acquiring Grasshopper Bank, N.A., both of New York, New York, through a merger with a newly formed subsidiary, Enova Interim Bank, N.A., South Jordan, Utah

Dear Governor McDonough and Vice President Fried:

The Center for Responsible Lending<sup>1</sup> (CRL) requests a 60-day extension to the comment period and the scheduling of public hearings on Enova International, Inc.'s (Enova) proposal to acquire Grasshopper Bank and become a bank-holding company. If the Federal Reserve finds it unnecessary to grant such requests, we urge you to deny the application.

CRL believes that the public deserves an opportunity to dispute the claims in the application and fully and completely raise their concerns in open hearings across the country before the agency renders a decision on this matter based on the standards and considerations imposed by the Bank Holding Company Act and 12 C.F.R. § 262.3(e).<sup>2</sup> Primarily, the public should be afforded an

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<sup>1</sup> The Center for Responsible Lending (CRL) is a non-partisan, nonprofit research and policy advocacy organization working to promote financial fairness and economic opportunity for all, end predatory lending, and close the racial wealth gap. CRL's expertise gives it trusted insight to evaluate the impact of financial products and policies on the wealth and economic stability of families, including people of color, women, rural, military, low-wage, low-wealth, and early-career workers and communities. CRL is an affiliate of Self-Help, one of the nation's largest nonprofit community development financial institutions. We work in partnership with national and local consumer, faith, and civil rights organizations.

<sup>2</sup> CRL has also requested the OCC to re-evaluate the application of Enova and Grasshopper based on the Bank Merger Act.

opportunity to speak on the harms and high-risk nature of Enova's high-cost lending and dispute the claims that its products will be a benefit to underserved communities. Furthermore, the public should be allowed to address whether Enova Interim Bank will meet the convenience and needs of the communities served.

We submit the following facts that demonstrate that there is a public interest, a need for higher level of scrutiny and for additional information which can only be gathered through a public hearing and an extended comment period:

*First*, the public should be allowed to dispute the written submissions as they do not describe the serious risks associated with Enova's product offerings. The application describes high-cost, triple-digit APR lending that it intends to continue, noting that:

Enova will migrate its existing small business lending business line and existing NetCredit installment loans and lines of credit products to the resulting Bank.<sup>3</sup>

NetCredit lends at 99.99% APRs and other products mentioned in the application lend at up to 325% APR.<sup>4</sup> High-cost lending poses high credit risks and default rates that violate requirements for prudent credit underwriting, putting the safety and soundness of the bank at risk. Such lending is also riddled with risks to compliance and other consumer protection laws.<sup>5</sup> The application lacks acknowledgment of the risks involved with such business practices and specifically states Enova wishes to deliver such products to underserved communities. The public should be able to submit evidence on the violations of consumer protection laws and risks associated with high-cost lending.

*Second*, there is evidence of harm to consumers related to these products, given the history of serious enforcement actions filed by the CFPB against Enova's subsidiaries as well as other lawsuits. It is relevant to consider the transaction's effects on the convenience and needs of the communities served, and certainly, harm to consumers should be a factor in deciding whether to hold a public hearing. The public should be allowed to present evidence on the harms of high-cost lending. Along with the comments submitted by CRL, additional comments by state consumer advocacy organizations detail significant consumer complaints regarding the impact of Enova's products as it does business as CashNetUSA, NetCredit or On Deck. These consumers, who would speak to the harmful nature of Enova's products and their predatory violations of consumer protection policies, deserve to have the Federal Reserve hear their actual experience with the business seeking to expand its authority by becoming a bank holding company.

*Further*, we request an extension of the comment period to allow the Federal Reserve Board (FRB) to gather additional factual information necessary to consider the application. The FRB should consider additional factual information not included in the application submitted by the parties to the proposed transaction, which would, at a minimum, require at least some discussion of how

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<sup>3</sup> Application, Public Portion, at pg. 13

<sup>4</sup> **National Consumer Law Center, Center for Responsible Lending & Student Borrower Protection Center. *Comments on Risks of Bank-Fintech Lending Arrangements (Oct. 30, 2024)***, PDF, National Consumer Law Center, [https://www.nclc.org/wp-content/uploads/2024/10/2024.10.30\\_Comments\\_Bank-fintech-lending-risks-comments-NCLC-CRL-SBPC.pdf](https://www.nclc.org/wp-content/uploads/2024/10/2024.10.30_Comments_Bank-fintech-lending-risks-comments-NCLC-CRL-SBPC.pdf)

<sup>5</sup> *Id.*

this proposed application would benefit the public by meeting the convenience and needs of the community to be served. In its current state, Enova's application fails to offer any attempt to provide facts in support of the required factor of consideration by the Federal Reserve. Without considering factual information beyond what Enova submitted, the FRB cannot adequately assess the benefit of the transaction in light of the risks and harms posed by Enova's business model on consumers.

**I. Enova and Grasshopper's Application is Insufficient and Further Scrutiny per the Requirements of the Bank Holding Company Act is Necessary.**

Enova International, Inc. is seeking to become a bank holding company and acquire Grasshopper bank pursuant to the Bank Holding Company Act of 1956 (BHC Act),<sup>6</sup> Regulation Y,<sup>7</sup> and to engage in nonbanking activity. Under the BHC Act and Regulation Y, the FRB sets forth the following related to comments and requests for hearings:

**(e) Submission of comments and requests for hearing.** The Board is only required to consider a comment or a request for a hearing with respect to an application or notice if it is in writing and received by the Secretary of the Board or the appropriate Federal Reserve Bank on or before the latest date prescribed in any notice with respect to the application or notice, or where no such date is prescribed, on or before the 30th day after the date notice is first published. Similarly, the Board will consider comments on an application from the Attorney General or a banking supervisory authority to which notification of receipt of an application has been given, only if such comment is received by the Secretary of the Board within 30 days of the date of the letter giving such notification. Any comment on an application or notice that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing. In every case where a timely comment or request for hearing is received as provided herein, a copy of such comment or request shall be forwarded promptly to the applicant for its response. The Board will consider the applicant's response only if it is in writing and sent to the Secretary of the Board on or before eight business days after the date of the letter by which it is forwarded to the applicant. At the same time it transmits its response to the Board, the applicant should transmit a copy of its response to the person or supervisory authority making such comment or requesting a hearing. Notwithstanding the foregoing, the Board may, in its sole discretion and without notifying the parties, take into consideration the substance of comments with respect to an application, (but not requests for hearing) that are not received within the time periods provided herein.

**(f) Action on applications.** The Board takes such action as it deems appropriate in the public interest.

This request is submitted in a timely manner in compliance with the above requirements.

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<sup>6</sup> Bank Holding Company Act of 1956, 12 U.S.C. §§ 1841 et seq. (1956).

<sup>7</sup> 12 C.F.R. Part 225 (Regulation Y).

Under Section 3(c)(2) of the BHCA, the Federal Reserve must also "take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served."<sup>8</sup>

As noted, we will further describe the following, which suggest a need for an extended comment period and a public hearing:

- Public interest in the transaction based on widespread high-cost lending by Enova, with compliance and safety and soundness risk involved to the involved institutions;
- The need for additional information not included in the application which should be the subject of a public hearing;
- A need for further analysis of the convenience and needs of communities served, based on high-cost lending and enforcement actions; and
- A need for further analysis of compliance, CRA, fair lending amid CFPB enforcement actions and other litigation.

## **II. Enova's Lending and Enforcement History Show the Need for Further Scrutiny.**

It is incumbent upon the FRB to examine the effects of a merger on consumers and the broader economy.<sup>9</sup>

We have serious concerns about the financial and managerial resources and future prospects of the companies involved, as well as Enova's ability to serve the convenience and needs of the communities it serves due to its high-cost products.

### **a. Financial and Managerial Resources**

Enova's history of enforcement and litigation, along with risky practices around high-cost lending, has real potential to strain financial and managerial resources, and put the resulting institution at risk in the future, particularly in terms of safety and soundness. This must be further investigated.

Enova admits that it will migrate CashNet USA, through which Enova lends at 149% to 325% APRs, and NetCredit, which lends at 99.99% APR, to the new Bank.<sup>10</sup>

Enova has historically offered lines of credit at rates that states do not allow.<sup>11</sup> According to the National Consumer Law Center, Enova via CashNetUSA, makes loans through a Rent-A-Bank scheme in 21 states (Alaska, Arizona, Arkansas, Florida, Indiana, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, Ohio, Oklahoma, Oregon, Rhode Island, Tennessee, Texas, Virginia, Wyoming).<sup>12</sup> It is very much in the public interest to further investigate given the wide geographic area in which Enova operates.

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<sup>8</sup> Bank Holding Company Act of 1956 § 3(c)(2), 12 U.S.C. § 1842(c)(2).

<sup>9</sup> *Id.*

<sup>10</sup> See, Application of Enova International, Inc., Public Portion, Pg. 13., *High-Cost Rent-A-Bank Loan Watch List*, NCLC (Sept. 26, 2026), available at: <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.

<sup>11</sup> *High-Cost Rent-A-Bank Loan Watch List*, NCLC (Sept. 26, 2026), available at: <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.

<sup>12</sup> *Id.*

High-cost lending of this nature poses risks to participating banks for a number of reasons, including the possibility of consumer protection and compliance violations.<sup>13</sup> It poses a risk to a bank's Community Reinvestment Act ratings and its ability to withstand economic fluctuations. TAB Bank is associated with partnerships with Enova brand NetCredit.<sup>14</sup> The FDIC recently lowered TAB Bank's CRA rating to "needs to improve" based on a finding that the bank committed unfair or deceptive acts or practices in connection with one of its strategic fintech partners.<sup>15</sup>

b. Needs and Convenience of Communities Served

Nationwide concerns about Enova's business practices and their resulting harms to both consumers and communities are pervasive and serious. Indeed, recent media reports indicate that, after only recently resolving a series of complaints raised by the Consumer Financial Protection Bureau (CFPB), lawsuits against Enova raising similar complaints about its repeated inability to comply with consumer financial protection laws remain unresolved.

Regulators and private plaintiffs have challenged Enova for unauthorized bank withdrawals, unlawful debt collection practices (including during bankruptcy), failure to honor loan extensions, and improper telemarketing or autodialed calls, resulting in CFPB penalties, state enforcement action by Virginia, and multiple class-action lawsuits.<sup>16</sup> Subsequent lawsuits allege that these harms continue to occur.

In 2018, Virginia Attorney General Mark Herring sued NetCredit, alleging it misled borrowers about its license and tried to collect debt under bankruptcy protection in violation of the state's Consumer Protection Act.<sup>17</sup> The lawsuit alleges that Net Credit issued loans of \$1,000 to \$10,000 to more than 47,000 Virginia borrowers between 2012 and 2018 with interest rates from 34% to 155%.<sup>18</sup>

Enova has multiple instances of enforcement activity at the federal level.<sup>19</sup> In 2019, the CFPB issued an order against Enova based on its finding that Enova violated the Consumer Financial Protection Act of 2010 by debiting consumers' bank accounts without authorization and failing to honor loan extensions it granted to consumers.<sup>20</sup> In 2023, Enova violated the 2019 Order and the CFPB for the same illegal conduct by debiting or attempting to debit consumers' accounts without

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<sup>13</sup> National Consumer Law Center, Center for Responsible Lending & Student Borrower Protection Center. *Comments on Risks of Bank-Fintech Lending Arrangements* (Oct. 30, 2024), PDF, National Consumer Law Center, [https://www.nclc.org/wp-content/uploads/2024/10/2024.10.30\\_Comments\\_Bank-fintech-lending-risks-comments-NCLC-CRL-SBPC.pdf](https://www.nclc.org/wp-content/uploads/2024/10/2024.10.30_Comments_Bank-fintech-lending-risks-comments-NCLC-CRL-SBPC.pdf)

<sup>14</sup> Id.

<sup>15</sup> TAB Bank. *CRA Annual Public File (as of March 31, 2024)*. Published July 2024, TAB Bank, <https://www.tabbank.com/wp-content/uploads/2024/07/TAB-Bank-CRA-Annual-Public-File-2024-03.pdf>.

<sup>16</sup> See e.g., *Ferri v. Enova International, Inc.*, 6:22-cv-01910, (M.D. Fla. Oct 17, 2022), *In re Charity*, No. 16-31974-KLP, 2017 WL 3580173 (Bankr. E.D. Va. Aug. 15, 2017), *Morgan v. On Deck Capital, Inc.*, 3:17-cv-00045, (W.D. Va. Oct 16, 2020), *Cunningham v. On Deck Cap., Inc.*, No. 20-CV-10621 (AJN), 2022 WL 137498 (S.D.N.Y. Jan. 14, 2022), *Trawick v. NetCredit Loan Servs., LLC*, No. 24-CV-7481, 2025 WL 2426773 (N.D. Ill. Aug. 22, 2025).

<sup>17</sup> *NC Fin. Sols. of Utah, LLC v. Commonwealth ex rel. Herring*, 299 Va. 452, 854 S.E.2d 642 (2021)

<sup>18</sup> Id.

<sup>19</sup> Consumer Financial Protection Bureau. *Consent Order ("In the Matter of: Enova International, Inc., File No. 2019-BCFP-0003")*. Issued Jan. 25, 2019. PDF, Bureau of Consumer Financial Protection, [https://files.consumerfinance.gov/f/documents/cfpb\\_enova-international\\_consent-order\\_2019-01.pdf](https://files.consumerfinance.gov/f/documents/cfpb_enova-international_consent-order_2019-01.pdf)

<sup>20</sup> Id.

their authorization.<sup>21</sup> The CFPB terminated the order on September 2, 2025.<sup>22</sup> While such activity is briefly mentioned in the filing, it is important to examine whether Enova has changed its business practices as a result, and how it intends to proceed going forward.

The repeated reference to targeting underserved communities in its application should be interrogated based on the significant risk of Enova's prior misconduct, such as excessive interest rates, hidden fees, and exploitation of legal loopholes. Approval of the merger with Grasshopper would provide Enova greater power while limiting states' ability to protect their underserved communities. Enova's business model demonstrates that it has taken advantage of vulnerable borrowers' financial situations in the past, and a national presence could allow it to do so at a larger scale.

Enova's history and the pattern and practice of illegal conduct and consumer harm should be considered when determining whether to grant requests for a hearing and extended comment period.

### **III. Conclusion**

Accordingly, the FRB should either deny the application, extend the comment period to require a complete factual record and hold a public hearing to consider the concerns raised by the general public. Without additional factual information beyond that submitted by Enova, the FRB cannot and should not fully assess the scope of the proposed transaction or the consumer risks posed by Enova's business model unless it does so by denying the application in full. Thank you for taking the time to consider our request.

Signed,

Center for Responsible Lending

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<sup>21</sup> Consumer Financial Protection Bureau (CFPB). "Enova International, Inc." *Consumerfinance.gov*, Enforcement Actions, Nov. 15, 2023, updated Sept. 2, 2025, <https://www.consumerfinance.gov/enforcement/actions/enova-international-inc-2023/>

<sup>22</sup> Id.

**From:** [Ariana Contreras](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Enova International's Acquisition of Grasshopper Bank  
**Date:** Friday, February 27, 2026 8:46:22 AM

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To whom it may concern,

As one of Grasshopper's nonprofit partners, [Women's Money Matters](#) has greatly valued the community support Grasshopper has provided over the past several years.

Their commitment to expanding access to financial education and volunteer engagement has strengthened our ability to empower women and girls living on low incomes to build financial stability and long-term economic security.

We support this merger and look forward to continuing our shared work to advance financial wellness in the communities we serve.

Best,  
Ariana Contreras

--

Ariana Contreras (she/her) | Associate Director of Volunteer Partnerships

[acontreras@womensmoneymatters.org](mailto:acontreras@womensmoneymatters.org)

Cell: 520-456-5965

[www.womensmoneymatters.org](http://www.womensmoneymatters.org)

[Instagram](#) | [Facebook](#) | [YouTube](#) | [LinkedIn](#) | [X](#)

**Will you chip in today to support Women's Money Matters?** Many people choose to give from their assets – stocks, gifts from their IRA, cryptocurrency, and grants from their Donor-Advised Funds to see even larger tax savings.

<https://womensmoneymatters.org/donate/>





Oregon Consumer Justice  
3055 NW Yeon Avenue, #1336  
Portland, OR 97210  
(503) 406-3311

February 27, 2026

Board of Governors  
Federal Reserve System  
Submitted via: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

Re: [Comment on Enova International, Inc., to become a bank holding company by merging with Grasshopper Bancorp, Inc. \(FR Doc. 2026-01687\)](#)

To Whom It May Concern,

Oregon Consumer Justice submits the following comments to express our concerns regarding the application to charter Enova Interim Bank, National Association, and acquire Grasshopper Bank, National Association.

Oregon Consumer Justice (OCJ) is a nonprofit organization that works to expand and protect consumer rights through policy and advocacy, community engagement, and the law. We believe that all Oregonians deserve to live with dignity and abundance, and experience health, joy, and economic opportunity.

Enova International (Enova) operates high-cost lending platforms, including CashNetUSA and NetCredit, and currently partners with state-chartered banks such as Republic Bank and TAB Bank to facilitate \$1,000+ installment loans and lines of credit. These credit products include annual percentage rates (APRs) as high as 99.99% to 300%, often with net charge-off rates of over 50%.<sup>1</sup> Such practices trap consumers in unaffordable loans that far exceed the interest rate caps adopted and enforced by the 45 states with these limits, including Oregon's 36% cap. Enova has circumvented Oregon's current rate cap by partnering with state-chartered banks to operate rent-a-bank schemes<sup>2</sup> that offer NetCredit-branded installment loans to Oregonians with up to 99.99% APR.<sup>3</sup> State rate caps reflect deliberate policy choices to prevent predatory lending and protect borrowers from debt traps and excessive fees. Allowing Enova to acquire a national bank charter would

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<sup>1</sup> <https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf>

<sup>2</sup> <https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf>

<sup>3</sup> <https://olis.oregonlegislature.gov/liz/2026R1/Downloads/PublicTestimonyDocument/228206>

enable it to charge high interest rates, override state interest rate caps, and expand its capacity to bypass state-sanctioned consumer protections.

Enova's lending practices have regularly come under scrutiny by the Consumer Financial Protection Bureau (CFPB). In 2019, the CFPB found that Enova violated the Consumer Financial Protection Act of 2010 by initiating withdrawals from borrowers' bank accounts without prior authorization and failing to honor promised loan extensions.<sup>4</sup> For these violations, the CFPB ordered Enova to pay a \$3.2 million penalty to consumers and to adjust its operations to reflect transparency and ethical business practices.<sup>5</sup> Enova subsequently violated this order and, in 2023, was ordered to pay an additional \$15 million in penalties.<sup>6</sup> During this time, consumer complaints regarding Enova have continued to rise, from just under 200 in 2022 to well over 500 in 2024, totalling over 1,000 in the 3-year span.<sup>7</sup> Many complaints allege that Enova engaged in deceptive practices, including opaque fee structures, excessive interest rates, and lending to borrowers who report being unable to repay the loans as structured.<sup>8</sup> This enforcement history and pattern of consumer complaints raise serious concerns about the company's compliance, underwriting practices, and commitment to transparent, responsible lending. In the context of acquiring a national bank charter, these concerns are particularly relevant as operational integrity, consumer protection compliance, and economy-stabilizing measures are foremost to our national banking system.

The Federal Reserve System is responsible for ensuring that safe, fair, and lawful banking operations comply with applicable protective regulations, creating an economy where consumers can thrive. Approving this application for a national bank charter would undermine those responsibilities by enabling high-interest lending practices that bypass state protections and threaten consumer well-being. Further, this application is unprecedented and could disrupt the stability of our existing financial systems, increase the risk to consumers seeking credit, and create an imbalance in credit conditions across the economy.

Consumers are struggling to afford the cost of living, and while access to credit is vital, triple-digit APRs are intentionally structured to encourage repeat borrowing, which can trap

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<sup>4</sup><https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-reaches-settlement-enova-international-inc/>

<sup>5</sup><https://www.consumerfinance.gov/about-us/newsroom/consumer-financial-protection-bureau-reaches-settlement-enova-international-inc/>

<sup>6</sup><https://www.consumerfinance.gov/about-us/newsroom/cfpb-fines-repeat-offender-enova-15-million-for-violating-order-deceiving-customers-and-withdrawing-funds-without-consent/>

<sup>7</sup> <https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf>

<sup>8</sup> <https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf>

consumers in debt cycles, especially as household debt reaches historic levels.<sup>9</sup> The affordability crisis has gained national attention, with the federal administration and Congress recognizing that credit card and other interest rates are too high. Now is not the time to grant Enova a national bank charter. The Federal Reserve System must prioritize consumer protection and should not approve a structure that is likely to expand predatory lending practices and disrupt our carefully regulated banking systems. We strongly urge the Federal Reserve System to deny Enova's application for a national bank charter.

Thank you for considering this comment and for your commitment to ensuring the national banking system operates in a manner that protects consumers.

Regards,  
Chris Coughlin  
Federal Policy Director

---

<sup>9</sup> <https://www.newyorkfed.org/microeconomics/hhdc>



**From:** [Kevin Dillon](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Enova merger  
**Date:** Monday, February 23, 2026 1:14:41 PM

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I write to express my serious concerns regarding this merger. As a consumer protection attorney, I have had multiple consumers contact me regarding problems with high-interest loans through NetCredit and CashNet. I understand Enova is behind these products. Enova's merger with a national bank would make it harder to protect consumers in Virginia from such predatory high-interest loans. This merger should not be approved.

Kevin Dillon  
Voice for Justice Law PLLC  
626 E. Broad St.  
Suite 300  
Richmond, VA 23219  
[voiceforjustice.law](http://voiceforjustice.law)  
Phone: 804-277-9441  
Fax: 804-494-4985  
[kevin@voiceforjustice.law](mailto:kevin@voiceforjustice.law)

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**From:** [Patricia \(PK\) Hammel](#)  
**To:** [CHI SR Comments Applications](#)  
**Cc:** [Lauren Saunders](#)  
**Subject:** [External] Enova and CashNet USA application for national bank charter should be denied  
**Date:** Friday, February 27, 2026 3:22:15 PM  
**Attachments:** [publickey - phammelaw@proton.me - 0x2BF81813.asc](#)  
[signature.asc](#)

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I am an attorney in private practice in northern Wisconsin.

CashNetUSA doesn't make loans in many states with interest rate limits, but it does make predatory loans in Wisconsin.

[REDACTED] took out a line of credit from CashNet USA last year that showed a 299% interest rate and a balance of \$1,472 as of August 1, 2025. The contract called for "bimonthly" payments.

By mid October, when he went through his bank records [REDACTED] that CashNet was withdrawing excessive amounts from his checking account, they had charged him \$1,404 in interest, and taken payments at irregular intervals (three in August, one in September and October) averaging \$281 each time (ranging from \$265 to \$313).

Even at 299% interest, it did not add up.

I helped him pay it off to "stop the bleeding," but by no means should Enova be allowed to expand its predatory lending and collecting practices to a national bank level

Their request to become a bank holding company should be denied.

Patricia K (PK) Hammel  
Attorney  
PO Box 21  
Antigo WI 54409  
[REDACTED]  
[phammelaw@proton.me](mailto:phammelaw@proton.me)

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**From:** [James Hubbard](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] RE: Comment Against Enova as a National Bank  
**Date:** Wednesday, February 25, 2026 1:47:22 PM

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I am sending this email to strongly urge against the application of Enova International, Inc. to acquire Grasshopper Bank and form a new bank holding company. This proposed merger is not in the public interest and poses a direct threat to state-level consumer protections.

If approved this would allow the company to export high interest rates from its home state to consumers nationwide, effectively bypassing state-level predatory lending laws that currently prohibit excessive APRs.

Enova has a history of partnering with third-party banks to evade state usury laws. Allowing this acquisition would let them move these operations in-house, creating a lender that exploits the privileges of a national charter to ignore state consumer protection laws.

Enova has a history of noncompliance and trying to circumvent state consumer protection laws. A bank charter is a privilege that should not be granted to an institution with a demonstrated record of regulatory noncompliance.

# CONSUMERS LEAGUE OF NEW JERSEY

Founded in 1900

PO Box 1136, Montclair NJ 07042

Email: [staff@consumersleague.org](mailto:staff@consumersleague.org) Website: [www.consumersleaguenj.org](http://www.consumersleaguenj.org)

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February 27, 2026

*Via email only to:* [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: Application to Form Enova Interim Bank, N.A. and to Acquire a Target; 91 Fed. Reg. 3725, 3726 (Jan. 28, 2026) [FR Doc. 2026-01687 Filed 1-27-26; 8:45 am]

The Consumers League of New Jersey<sup>1</sup> submits the following comments on the application to the Office of the Comptroller of the Currency to charter Enova Interim Bank and to acquire Grasshopper Bank, N.A. CLNJ submits the OCC should deny Enova's application. More specifically, the OCC should decline to approve a national bank dedicated to unaffordable and usurious lending at well over 100% APR. Such approval would only aid to oppress the already financially distressed consumers in the United States as well as strip New Jerseyans of our usury laws.

New Jersey has had usury laws continuously since colonial days. Currently the Criminal Usury Law, N.J.S.A. 2C:21-19 sets a 30 percent limit for all transactions which New Jersey can regulate. For example, *Perez v. Rent-A-Center*, 186 N.J. 188 (2006), held that rent to own transactions were subject to the New Jersey Retail Installment Sales Act, and the 30% criminal usury limit. Violations of that 30% limit would violate New Jersey's Consumer Fraud Act, N.J.S.A. 56:8-1 *et seq.* The New Jersey Supreme Court accepted the argument of amicus Consumers League of New Jersey, that the Legislature and Governor in bills S. 3101 and S. 3005 (P.L. 1981, Ch. 103 and 104), intended a 30% interest ceiling for all creditors.

Because New Jersey's criminal usury law protects our consumers, you will not see here brick and mortar stores pitching pay day loans, auto title loans, and similar businesses offering 300% APR credit. The current threat to New Jersey consumers comes from the internet. The so-called "fintech" companies lend at 100% and up and claim immunity from New Jersey law. But *Turner v. Aldens, Inc.*, 179 N.J. Super. 596 (App. Div. 1981) held that New Jersey law applies to out-of-state credit financiers.

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<sup>1</sup> CLNJ is a nonprofit, membership organization that was founded in 1900. CLNJ has for over 100 years educated consumers about the opportunities and dangers in the marketplace and has advocated for the rights of consumers. See Suzanne Nussbaum & James Boskey, *The Consumers League of New Jersey and the Development of Occupational Disease Legislation*, 4 *Seton Hall Legis. J.* 109, 111 (1979).

## 1. High-cost lending and debt trap risks

Research by the Consumer Financial Protection Bureau has consistently found that high-cost small-dollar loans—particularly payday and similar installment products—are associated with repeated reborrowing and prolonged indebtedness. In its 2017 Payday Lending Rule, the CFPB documented that a large share of borrowers takes out multiple loans in sequence, with fees and interest consuming a significant portion of payments rather than reducing principal.<sup>2</sup>

Similarly, the The Pew Charitable Trusts has found that payday-style loans often carry APRs in the triple digits and that typical borrowers remain in debt for months, paying more in fees than the amount originally borrowed.<sup>3</sup> Enova’s NetCredit and CashNetUSA products have been widely reported to fall within this high-cost category, raising concerns that their business model depends on extended borrower indebtedness rather than sustainable repayment.<sup>4</sup>

## 2. Evasion of state interest rate caps (“rent-a-bank” concerns)

A substantial body of research has examined the use of bank partnerships to facilitate high-interest lending that would otherwise violate state usury laws. The National Consumer Law Center has documented how nonbank lenders partner with out-of-state banks to “export” interest rates and avoid state caps, a practice commonly referred to as “rent-a-bank.”<sup>5</sup> Academic analysis has reached similar conclusions.<sup>6</sup>

Public reporting and litigation have repeatedly associated NetCredit and similar Enova products with this model. Granting a national bank charter would risk expanding such practices under federal preemption.

## 3. Enova’s predatory business model

Enova’s brands like CashNetUSA offers lines of credit of \$100 to \$3,000 with APR’s between 229% and 299%.<sup>7</sup> Further, “[w]hen you draw, you will be charged 15% of the amount drawn.”<sup>8</sup>

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<sup>2</sup> <https://www.consumerfinance.gov/rules-policy/final-rules/payday-vehicle-title-and-certain-high-cost-installment-loans/> (last visited Feb. 25, 2026).

<sup>3</sup> <https://www.pew.org/en/research-and-analysis/issue-briefs/2022/04/payday-loans-cost-4-times-more-in-states-with-few-consumer-protections> (last visited Feb. 25, 2026).

<sup>4</sup> <https://www.nclc.org/new-predatory-100-apr-bank-seeks-trump-administrations-approval/> (last visited Feb. 25, 2026).

<sup>5</sup> <https://library.nclc.org/article/tenth-circuit-limits-rent-bank-schemes> (last visited Feb. 25, 2026).

<sup>6</sup> See, e.g., Adam J. Levitin, *Rent-A-Bank: Bank Partnerships and the Evasions of Usury Laws*, 71 DUKE L.J. 329 (2021); Jayne Munger, Note, *Crossing State Lines: The Trojan Horse Invasion of Rent-a-Bank and Rent-a-Tribe Schemes in Modern Usury Law*, 87 GEO. WASH. L. REV. 468, 488–89 (2019)

<sup>7</sup> <https://www.cashnetusa.com/rates-and-terms/utah> (last visited Feb. 25, 2026).

<sup>8</sup> *Id.*

If a consumer draws \$600 once from a \$1,000 line of credit and makes the minimum payments bi-weekly (15 bi-weekly payments for 7.5 months), the borrower would pay total fees and interest of \$853.11, with a total repayment of \$1,453.11. Consumers needing a \$600 loan would not be able to afford nearly \$100 biweekly payments. This is a debt trap that is designed to lure low-income borrowers, our most financially vulnerable, into a continuous debt cycle.

\* \* \*

For these reasons, CLNJ respectfully requests that the OCC deny the application for a national bank charter by Enova. Doing so would preserve New Jersey's and other state's strong consumer-protection framework and reaffirm the principle that financial distress should not be a profit opportunity. Indeed, our laws are meant to protect the weakest among us, and they must continue to safeguard the most financially vulnerable New Jerseyans from the very industry that is continuing to oppress low-income borrowers throughout the states.

Thank you for your consideration.

Respectfully,

CONSUMERS LEAGUE OF NEW JERSEY

Yongmoon Kim

Yongmoon Kim, Esquire

President

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**From:** [staff@consumersleague.org](mailto:staff@consumersleague.org)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] Opposition to Application to Form Enova Interim Bank, N.A. and to Acquire a Target; 91 Fed. Reg. 3725,  
**Date:** Friday, February 27, 2026 12:58:33 PM  
**Attachments:** [CLNJ-OCC.CommentEnova.final.pdf](#)

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## CONSUMERS LEAGUE OF NEW JERSEY

Founded in 1900

PO Box 1136, Montclair NJ 07042

Email: [staff@consumersleague.org](mailto:staff@consumersleague.org)

Website: [www.consumersleaguenj.org](http://www.consumersleaguenj.org)

February 27, 2026

*Via email only to:* [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

The enclosed PDF file contains the comments of the Consumers League of New Jersey opposing the application to form Enova Interim Bank NA

Thank you for your consideration.

Respectfully,

Consumers League of New Jersey

*Yongmoon Kim*

Yongmoon Kim, Esquire

President

Submitted via Email to: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

February 27, 2026

Benjamin W. McDonough, Deputy Secretary of the Board,  
Board of Governors  
20th Street and Constitution Avenue NW  
Washington, DC 20551-0001

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: Enova International, Inc., Application to become a bank holding company by  
merging with Grasshopper Bancorp, Inc.

Dear Governor McDonough and Vice President Fried:

The Economic Progress Institute is a nonpartisan, nonprofit, research and policy organization dedicated to improving the economic well-being of low- and modest-income Rhode Islanders. Rhode Island is a unique place to work, live, and raise a family. We have a long tradition of compassion and community, and we know how important it is for our neighbors to meet their most basic needs. We believe in a Rhode Island committed to the common good, one that fosters economic progress for all residents and invests in building healthy, vibrant communities that pass opportunity on to the next generation.

We write to express serious concerns regarding Enova International, Inc.'s ("Enova") application to acquire Grasshopper Bank. We respectfully request that the Federal Reserve:

- 1. Deny Enova's application to become a national bank holding company.**
- 2. Hold a public hearing** to fully explore the harms this merger would bring to communities, including Rhode Island consumers.
- 3. Extend a public comment period by 60 days** to allow impacted community groups sufficient time to provide substantive input.

Rhode Island has taken meaningful steps to protect borrowers from excessive interest rates. Under state law, small loans are capped at 36% APR,<sup>1</sup> reflecting a legislative judgment that extremely high-cost lending strips wealth from households and undermines financial stability. Enova's business model, which relies on triple-digit APR loans and Rent-A-Bank schemes, directly conflicts with these protections, raising serious concerns about the potential harms if the company were granted a national bank charter.

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<sup>1</sup> R.I. Gen. Law §19-14.2-8.

## I. Enova's Lending Model Undermines Rhode Island's Consumer Protections

Enova operates high-cost lending brands including CashNetUSA and NetCredit. Through partnerships with out-of-state, FDIC-supervised banks, including Republic Bank & Trust (Kentucky) and Capital Community Bank (Utah), Enova uses Rent-A-Bank schemes to make installment loans and lines of credit at rates far exceeding what Rhode Island law permits.

NetCredit installment loans can carry APRs up to 99.99%, and other Enova products reach as high as 325% APR.<sup>2</sup> These rates are dramatically above Rhode Island's 36% small-loan cap. Rent-A-Bank schemes allow Enova to bypass the intent of Rhode Island's interest rate protections by relying on federal preemption through a partner bank charter.

This is not merely a theoretical concern. Rhode Island borrowers have filed complaints with the Consumer Financial Protection Bureau ("CFPB") regarding Enova's lending practices. These complaints include allegations of being charged fees or interest that borrowers did not expect, as well as difficulty stopping withdrawals from bank accounts.<sup>3</sup>

One Rhode Island borrower pleaded:

*"I didnt realize what I signed up for but Im getting burnt big time Please help me"*<sup>4</sup>

That brief statement reflects a deeper pattern seen in high-cost lending: borrowers in moments of financial stress agree to loans they do not fully understand, only to find themselves locked into repayment structures that prolong indebtedness and drain household resources.

For low- and modest-income Rhode Islanders, especially households already struggling with housing costs, medical bills, and rising food prices, loans carrying triple-digit APRs can quickly become long-term debt traps. When payments largely go toward interest rather than principal, families remain financially vulnerable for extended periods, reducing their ability to build savings or recover from emergencies. Granting Enova a national bank charter would expand and formalize a model that has already generated consumer harm, while insulating it from meaningful state oversight.

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<sup>2</sup> "High-Cost Rent-a-Bank Loan Watch List," NCLC (Feb. 26, 2026), available at <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.

<sup>3</sup> Consumer Complaint Database, CFPB (accessed Feb. 27, 2026), available at [https://www.consumerfinance.gov/data-research/consumer-complaints/search/?company=ENOVA%20INTERNATIONAL%2C%20INC.&dateRange=All&date\\_received\\_max=2026-02-26&date\\_received\\_min=2011-12-01&page=1&product=Payday%20loan%2C%20title%20loan%2C%20or%20personal%20loan&product=Payday%20loan%2C%20title%20loan%2C%20personal%20loan%2C%20or%20advance%20loan&searchField=all&size=25&sort=created\\_date\\_desc&state=RI&tab=List](https://www.consumerfinance.gov/data-research/consumer-complaints/search/?company=ENOVA%20INTERNATIONAL%2C%20INC.&dateRange=All&date_received_max=2026-02-26&date_received_min=2011-12-01&page=1&product=Payday%20loan%2C%20title%20loan%2C%20or%20personal%20loan&product=Payday%20loan%2C%20title%20loan%2C%20personal%20loan%2C%20or%20advance%20loan&searchField=all&size=25&sort=created_date_desc&state=RI&tab=List).

<sup>4</sup> Complaint 11801414, Consumer Complaint Database (Jan. 27, 2025), available at <https://www.consumerfinance.gov/data-research/consumer-complaints/search/detail/11801414>.

## II. Enova Does Not Meet the Convenience and Needs of Communities Served

Under Section 3(c)(2) of the Bank Holding Company Act, the Federal Reserve must evaluate whether this transaction would serve the convenience and needs of the communities to be served.<sup>5</sup> That standard requires more than technical compliance; it requires that banking institutions strengthen local economies and support long-term financial health.

Enova's application indicates that it intends to migrate its existing high-cost products, including NetCredit installment loans and lines of credit and OnDeck small business loans, into the resulting national bank. These products include loans at 99.99% APR and others exceeding 300% APR.<sup>6</sup>

Loans at these rates fundamentally undermine household financial stability. Dollars that could otherwise support rent, utilities, childcare, transportation, or savings are diverted to interest payments. Such lending models increase the likelihood of repeat borrowing and default and extract wealth from communities already facing economic challenges.

These concerns are not theoretical. In 2019, the Consumer Financial Protection Bureau (CFPB) found that Enova violated federal law by debiting consumers' bank accounts without authorization and failing to honor loan extensions. In 2023, the CFPB determined that Enova violated that order and again engaged in unauthorized debiting practices, resulting in a \$15 million civil penalty.<sup>7</sup> Although the order was later terminated, the repetition of similar conduct raises serious questions about management oversight, internal controls, and future compliance.

For Rhode Island communities, especially low-income households and communities of color that have historically experienced wealth stripping through discriminatory lending, expanding access to triple-digit interest rate products would exacerbate existing inequities. Granting Enova a national bank charter would not merely maintain its current operations; it would give the company broader authority to export high-cost lending nationwide while weakening Rhode Island's ability to enforce its own interest rate protections.

\* \* \*

Enova's national bank charter would bypass Rhode Island's consumer protections, exposing families to high-cost loans and predatory practices. With its history of triple-digit rates, Rent-A-Bank schemes, and repeated violations, approval would formalize these harms and limit state oversight. We urge the Federal Reserve to deny the application, hold a public hearing, and extend the comment period by 60 days so Rhode Island communities can be fully heard.

Sincerely, The Economic Progress Institute

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<sup>5</sup> 12 U.S.C. 1841 *et seq.*

<sup>6</sup> "High-Cost Rent-A-Bank Loan Watch List," NCLC (Feb. 26, 2026), available at <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.

<sup>7</sup> "CFPB Fines Repeat Offender Enova \$15 Million for Violating Order, Deceiving Customers, and Withdrawing Funds Without Consent," CFPB Newsroom (Nov. 15, 2023), available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-fines-repeat-offender-enova-15-million-for-violating-order-deceiving-customers-and-withdrawing-funds-without-consent/>.



303 E. 17th Ave., Suite 400, Denver, CO 80203 • 303-297-0456 • [www.bellpolicy.org](http://www.bellpolicy.org)

---

Submitted via Email to: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

February 27, 2026

Benjamin W. McDonough  
Deputy Secretary of the Board of Governors  
20th Street and Constitution Avenue, NW  
Washington, DC 20551-0001

Colette A. Fried  
Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: Enova Bank merger application

Dear Deputy Secretary McDonough and Assistant Vice President Fried,

The Bell Policy Center is a non-partisan, non-profit policy, research, and advocacy organization committed to ensuring economic mobility for every Coloradan. We recognize that access to fair, affordable credit is a key lever of economic mobility. As such, we are very concerned about Enova's application to become a national bank through a merger with Grasshopper Bank.

Coloradans have long prioritized strong consumer protections on high-cost lending products. In 2018, Colorado capped APRs on payday loans at 36 percent. This was one of the most popular ballot measures in state history - passing with 77 percent of the vote. In subsequent years, our state legislature has followed voters' lead and placed 36 percent rate caps on similar high-cost lending products.

In 2023, Colorado opted out of DIDMCA. We did so out of concern that high-cost lenders from out-of-state were importing their products into Colorado and circumventing our lending laws. Opting out of DIDMCA was a step toward upholding the will of Colorado voters and ensuring our policymakers have the ability to set the lending rules that are right for our state.

We are concerned that if it becomes a national bank, Enova will be able to offer the high-cost loans Coloradans have said we do not want in our state. CashNetUSA and NetCredit, Enova subsidiaries, both

offer very high-cost loans. For example, CashNet USA's website advertises loans that have APRs well above 200 percent - far higher than the 36 percent allowed in Colorado. It is our understanding that, if this application is approved, Enova will become the only national bank making loans with triple digit APRs.

Moreover, we are concerned by the lawsuits, investigations, and enforcement actions against Enova. For example, the company has been found to have used unlawful debt collection practices, made unauthorized bank withdrawals, and failed to honor promised loan extensions. These practices, at a minimum, are deeply concerning - especially because, if the merger application is approved, Colorado policymakers would have no oversight of these problematic practices.

Ultimately, we respectfully request that Enova's merger application be denied. However, we also ask that the Federal Reserve hold a public hearing, and extend the public comment period to at least 60 days. Taking these two actions would allow for a fuller voicing of community concerns.

Thank you for your time, and please let us know if we can answer any questions,

Andrea Kuwik  
Director of Policy and Research  
Bell Policy Center

**From:** [lee](#)  
**To:** [Office-of-the-Secretary \(Board\); CHI SR Comments Applications](#)  
**Cc:** [InnerCity Press](#)  
**Subject:** [External] Second timely comments in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank  
**Date:** Wednesday, February 25, 2026 7:10:29 AM

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Feb 24, 2025

Via E-mail to Office-of-the-Secretary [at] [frb.gov](http://frb.gov)

Board of Governors of the Federal Reserve System  
Attn: Chair Powell, Secretary Misback  
20th Street and Constitution Avenue, N.W.  
Washington, DC 20551

Re: Second timely comments in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank

Dear Chair Powell, Secretary Misback:

On behalf of Fair Finance Watch, this is opposition to the applications of Enova, parent of the high-cost payday lender CashNetUSA, to become bank holding company by acquiring and to acquire Grasshopper Bank.

To allow a payday lender already fined by the CFPB to become a bank holding company would be a new low for the Fed. This, too - the total withholding of all of the Fed's questions to Enova. This FOIA appeal has just been filed; the comment period must be extended:

"On behalf of Fair Finance Watch and Inner City Press and in my personal capacity, this is an immediate FOIA appeal of the Board's February 24, 2026 denial of our February 4 FOIA request the Fed summarized as follows:

the AI letter the FRB of Chicago sent to Enova, owner of payday lender CashNetUSA, on its application to acquire Grasshopper Bank. All of the AI question have been withheld - and should be release[d] during the comment period

Troublingly, all eight pages of the Feb 3 AI letter are entirely redacted, as are all three pages of the January AI letter, except the request for proof of newspaper publication.

The context of this FOIA request is a company charged with predatory lending by the CFPB, and which was fine for non-compliance: CFPB, Press Release, CFPB Fines Repeat Offender Enova \$15 Million for Violating Order, Deceiving Customers, and Withdrawing Funds Without Consent (Nov. 15, 2023).

The public has a right to know what the FRS is asking - and not asking - Enova as it tries to become a bank holding company. The comment period, set to expire on February 27 (three days after this total withholding of even the FRS' questions) must be extended.

To withhold every single page, while purporting to have "partially granted" the request, is ludicrous - and, separately, games the FRB's annual reporting on its compliance (or not) with FOIA. This appeal must be presented directly to the Governors. Please confirm. Thank you."

**Request Submitted Successfully**

<https://frb.secureocp.com/app/CreateAppeal.aspx>

The comment period should be extended; evidentiary hearings should be held; and on the current record, the application should not be approved. Please immediately send all requested information -- including a complete copy of the application, during the comment period -- and responses by e-mail to [lee@fairfinancewatch.org](mailto:lee@fairfinancewatch.org) and [innercitypress@gmail.com](mailto:innercitypress@gmail.com) -- and if also by regular mail, to Matthew R. Lee, Esq. Fair Finance Watch c/o Matthew R. Lee Esq, PO Box 130222, NYC NY 10013. Please also confirm receipt of this formal submission. If you have any questions, please immediately telephone the undersigned, at (718) 716-3540.

Very Truly Yours,

Matthew Lee, Esq.

Executive Director

Inner City Press/Fair Finance Watch

On Sat, Jan 31, 2026 at 8:53 PM lee <[lee@fairfinancewatch.org](mailto:lee@fairfinancewatch.org)> wrote:

January 31, 2025

Via E-mail to Office-of-the-Secretary [at] [frb.gov](http://frb.gov)

Board of Governors of the Federal Reserve System

Attn: Chair Powell, Secretary Misback

20th Street and Constitution Avenue, N.W.

Washington, DC 20551

Re: Timely comments in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank

Dear Chair Powell, Secretary Misback:

On behalf of Fair Finance Watch, this is opposition to the applications of Enova, parent of the high-cost payday lender CashNetUSA, to become bank holding company by acquiring and to acquire Grasshopper Bank.

To allow a payday lender already fined by the CFPB to become a bank holding company would be a new low for the Fed.

For the record on this application:

" The Consumer Financial Protection Bureau (CFPB) has ordered online lender Enova International Inc. to pay a \$15 million penalty for what it said is "widespread illegal conduct," including withdrawing funds from customers' bank accounts without their permission, making deceptive statements about loans, and cancelling loan extensions. thumbnail\_CFPB This isn't the first time Enova has been fined. The company paid a \$3.2 million penalty to the CFPB in 2019, and was ordered to cease its illegal conduct, the Bureau said. "For violating that order and continuing to break the law, Enova is now banned from offering certain consumer loans, must provide redress to the consumers it harmed, and is required to tie executive compensation to the company's compliance with federal consumer financial protection laws," the CFPB said. What Company Does/Did Enova is a publicly traded nonbank lender headquartered in Chicago that extends or arranges unsecured installment loans and lines of credit to consumers in 37 states through its CashNetUSA- and NetCredit-branded subsidiaries. Up until 2022, Enova also extended unsecured payday loans to consumers through its CashNetUSA-branded subsidiaries, the CFPB said. "After taking action against Enova in 2019, the CFPB investigated Enova's compliance with the 2019 order. The investigation found that the company was continuing to engage in illegal behavior, affecting more than 111,000 consumers," according to the CFPB. The Specific Findings Specifically, the CFPB said it found in its additional investigation that Enova: Withdrew funds without borrowers' consent. "Enova withdrew or tried to withdraw funds from consumers' accounts without having obtained their express informed consent as required by the 2019 order," the CFPB said. "In some cases Enova used bank account information it had purchased from online lead generators, overwriting the bank account information that borrowers had authorized Enova to use." Backtracked on loan extensions. "Enova cancelled loan extensions it had granted to certain consumers and in most instances debited

such consumers' bank accounts for the full loan payment instead of only a smaller loan extension fee, in violation of the 2019 order." Deceived borrowers with false statements and omissions. "Enova failed to tell consumers who had been granted a loan extension that making an interim partial payment would result in cancellation of the loan extension and misrepresented the amount that Enova would charge to consumers who made such an interim partial payment," the CFPB said. "Enova also misrepresented the due date for certain loan payments, that consumers could skip certain loan payments, and the amounts due on certain loans." Failed to provide consumers copies of signed authorizations. "Enova initiated recurring electronic fund transfers from consumers' bank accounts without providing the consumer with a copy of a signed authorization identifying the particular bank account that the consumer had authorized for such transfers, in violation of the 2019 order," according to the Bureau. Enforcement Action The CFPB said its order enforces the 2019 order, and requires Enova to: Stop offering certain short-term loans. For a period of seven years, Enova is prohibited from offering or providing closed-end consumer loans that must be substantially repaid within 45 days. Stop its illegal practices. Enova may not engage in certain specified practices, including initiating attempts to debit funds from a consumer's account without having obtained the consumer's express informed consent and failing to honor loan extensions granted to consumers. Reform executive compensation. Enova's executive compensation policies and agreements must consider the actions taken by the executive to ensure that the executive's business or department complies with the order and federal consumer financial law. Provide redress to consumers. Enova must provide redress to all consumers whose accounts Enova debited without their express informed consent, including by returning to those consumers all unlawfully debited amounts and associated fees, costs, and interest. Pay a civil penalty. Enova will make a civil penalty payment of \$15 million to the CFPB victims relief fund."

Now they want (to become) a national bank? Public hearings are necessary.

Combine this with Grasshopper's use of artificial intelligence in banking - a topic not yet scrutinize enough by the regulators, see for example Fifth Third and Brex, with Brex now being acquired by Capital One - and the need for public hearings on this CashNetUSA/Enova - Grasshopper (AI) proposal is all the more clear.

That neither company has HMDA data does not justify relegating review of this troubling proposal to the Reserve Bank, which does not even have

delegate approval to deny an application.

The comment period should be extended; evidentiary hearings should be held; and on the current record, the application should not be approved. Please immediately send all requested information -- including a complete copy of the application, during the comment period -- and responses by e-mail to [lee@fairfinancewatch.org](mailto:lee@fairfinancewatch.org) and [innercitypress@gmail.com](mailto:innercitypress@gmail.com) -- and if also by regular mail, to Matthew R. Lee, Esq. Fair Finance Watch c/o Matthew R. Lee Esq, PO Box 130222, NYC NY 10013. Please also confirm receipt of this formal submission. If you have any questions, please immediately telephone the undersigned, at (718) 716-3540.

Very Truly Yours,

Matthew Lee, Esq.  
Executive Director  
Inner City Press/Fair Finance Watch

Submitted via Email to: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

February 27, 2026

Benjamin W. McDonough, Deputy Secretary of the Board,  
Board of Governors  
20th Street and Constitution Avenue NW  
Washington, DC 20551-0001

Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-1414

Re: Enova International, Inc. Application to Acquire Grasshopper Bank and Form a  
National Bank Holding Company

Dear Governor McDonough and Vice President Fried:

On behalf of the 8 undersigned California-based organizations that work every day with families harmed by predatory lending, we write to express urgent concerns regarding Enova International, Inc.'s ("Enova") application to acquire Grasshopper Bank. Our organizations work directly with communities across California, including working families, seniors, and immigrants, who are disproportionately targeted by high-cost loans that trap borrowers in cycles of debt. We urge the Federal Reserve to deny Enova's application to become a national bank holding company, hold a public hearing to examine its impacts on communities, and extend the public comment period to 60 days to allow substantive input.

Our organizations serve borrowers who turn to small-dollar credit in moments of financial vulnerability, after a medical emergency, a job loss, a car repair, or an unexpected rent increase. These borrowers need safe, affordable options that help them stabilize their finances. They do not need 100% to 300% APR loans that deepen financial distress and trap families in cycles of debt.

Enova's application references serving "underserved communities." But underserved communities are not markets to be extracted from; they are communities that deserve protection, fairness, and responsible lending. Enova's track record raises serious doubts that it can meet that obligation under a national bank charter.

#### I. California Consumers' Experiences and Enova's Evasion of State Protections

California's experience with Enova is instructive. Exploiting a loophole in state law, Enova and other predatory lenders aggressively marketed loans at more than 100% to 200% APR to vulnerable consumers. These loans ranged from \$2,500 to \$10,000 with terms stretching four to seven years, a combination of high interest rates, large principal, and long repayment periods that made them virtually impossible to pay off. It took a coalition of more than 100 community

and faith-based organizations, and over three years of sustained campaigning, to cap interest rates on these products.

On July 25, 2019, prior to the passage of AB 539, legislation designed to protect Californians from excessive interest rates, Enova acknowledged on an investor call that the bill would likely pass and indicated that it was considering using a Rent-A-Bank scheme to circumvent the new interest rate cap. Specifically, they told investors, “There is no reason why we wouldn’t be able to replace our California business with a bank program.” On October 24, 2019, after the bill passed the California legislature and was signed by the Governor, investors asked if Enova would be interested in lending to California consumers with loans below 36%, and Enova representatives responded with “a clear no.” In other words, when faced with a democratically enacted consumer protection law, the company explored ways to sidestep it.

Ultimately, Enova did not pursue that strategy in California, likely due to sustained political pressure. In December 2019, California Assembly Member Monique Limón, the author of AB 539, wrote directly to Enova (Attachment 1), and in February 2020, she testified before the U.S. House Financial Services Committee<sup>1</sup>, publicly exposing Rent-A-Bank schemes and the threat they posed to state consumer protections.

But approving this national bank application would now grant Enova the very authority it previously contemplated using to evade California law—this time shielded by federal preemption. With a national bank charter, Enova could deploy loans carrying rates up to 300% APR nationwide, including in states like California that have worked hard to enact stronger protections.

Figure 1<sup>2</sup> below provides example loan terms that were posted on lenders’ websites on 3/24/2019. The websites advertised the “quick,” “easy” availability of these products.

Figure 1

Lender	Loan Amount	Loan Term (months)	Monthly Payment	Total Repayment	APR
Advance America	\$2,550	24	\$449	\$10,782	206%
Check'n Go	\$2,600	9	\$612	\$5,508	218%
Elevate	\$2,600	16	\$483	\$7,726	224%
LoanMe	\$2,600	47	\$388	\$18,255	184%
SpeedyCash (aka CURO)	\$2,600	42	\$281	\$11,806	132%

<sup>1</sup> Limón, Monique. Testimony before the United States House of Representatives Committee on Financial Services, *Rent-a-Bank Schemes and New Debt Traps: Assessing Efforts to Evade State Consumer Protections and Interest Rate Caps* (Feb. 5, 2020), available at <https://www.congress.gov/116/meeting/house/110441/witnesses/HHRG-116-BA00-Wstate-LimnM-20200205.pdf>.

<sup>2</sup> *Id.*

These examples reflect more than isolated incidents. They demonstrate a pattern of conduct that prioritizes revenue over consumer well-being. This conduct must be carefully considered before granting the privileges and powers of a national bank.

## II. Enova Does Not Meet the Convenience and Needs of Communities Served

Under Section 3(c)(2) of the Bank Holding Company Act, the Federal Reserve must evaluate whether this transaction would serve the convenience and needs of the communities to be served.<sup>3</sup> That standard requires more than technical compliance. It requires that banking activity strengthen, rather than destabilize, local communities.

Enova's application openly states that it intends to migrate its existing high-cost lending products, including NetCredit installment loans and lines of credit, and OnDeck, its small business lending line, to the resulting bank. NetCredit currently lends at 99.99% APR, and other Enova products lend at rates as high as 325% APR. CashNetUSA loans range from 149% to 325% APR.<sup>4</sup>

Loans carrying triple-digit interest rates cannot reasonably be described as meeting community needs. When families pay 100% or 300% APR, money that could go toward rent, groceries, childcare, or savings instead goes toward interest payments. These products increase the likelihood of repeat borrowing, delinquency, and default. They extract wealth from neighborhoods that can least afford it.

High-cost lending at this scale also raises concerns about safety and soundness. Elevated default rates and reliance on financially distressed borrowers present credit risk. Triple-digit lending models also create significant compliance risk under federal and state consumer protection laws. Yet, Enova's application does not meaningfully acknowledge these risks or explain how migrating these products into a national bank would mitigate them.

This concern is not theoretical. Enova's recent federal enforcement history demonstrates real compliance failures. In 2019, the Consumer Financial Protection Bureau found that Enova violated federal law by debiting consumers' bank accounts without authorization and failing to honor loan extensions. In 2023, the CFPB determined that Enova violated that order and again engaged in unauthorized debiting practices, resulting in a \$15 million civil penalty.<sup>5</sup> Although the order was later terminated, the recurrence of the same unlawful conduct demonstrates compliance weaknesses that warrant close scrutiny.

Communities need access to safe and affordable credit products that support long-term financial stability. Expanding access to triple-digit loans in financially vulnerable neighborhoods

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<sup>3</sup> 12 U.S.C. 1841 *et seq.*

<sup>4</sup> "High-Cost Rent-A-Bank Loan Watch List," NCLC (Feb. 26, 2026), available at <https://www.nclc.org/resources/high-cost-rent-a-bank-loan-watch-list/>.

<sup>5</sup> "CFPB Fines Repeat Offender Enova \$15 Million for Violating Order, Deceiving Customers, and Withdrawing Funds Without Consent," CFPB Newsroom (Nov. 15, 2023), available at <https://www.consumerfinance.gov/about-us/newsroom/cfpb-fines-repeat-offender-enova-15-million-for-violating-order-deceiving-customers-and-withdrawing-funds-without-consent/>.

does the opposite. Granting Enova a national bank charter would not merely maintain its current business model; it would expand it and insulate it from state consumer protection oversight.

\* \* \*

For the families and communities we represent, Enova's request for a national bank charter is not an abstract regulatory matter. Approval would formalize a high-cost lending model under a national bank structure, which is unprecedented. California's experience with Enova's triple-digit loans and Rent-A-Bank schemes demonstrates how these repeated practices harm consumers and fail to meet the federal standard to affirmatively serve the convenience and needs of the community. We urge the Federal Reserve to deny Enova's application, hold a public hearing to examine its impacts on communities, and extend the public comment period to 60 days so that affected Californians and consumers across the country have a meaningful opportunity to be heard.

Sincerely,

California Advocates for Nursing Home Reform  
Community Legal Services in East Palo Alto  
Housing and Economic Rights Advocates  
Katharine & George Alexander Community Law Center  
Legal Assistance for Seniors  
Public Counsel  
Public Good Law Center  
Rise Economy

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STONE, MARK  
WEBER, SHIRLEY N.  
WICKS, BUFFY

**Assembly  
California Legislature**



**ASSEMBLY COMMITTEE ON  
BANKING AND FINANCE**  
**MONIQUE LIMÓN, CHAIR**  
ASSEMBLYMEMBER, THIRTY-SEVENTH DISTRICT

**CHIEF CONSULTANT**  
WILLIAM HERMS  
**PRINCIPAL CONSULTANT**  
MICHAEL BURDICK  
**COMMITTEE SECRETARY**  
GINA NEVES

**STATE CAPITOL – ROOM 6031**  
P.O. BOX 942849  
SACRAMENTO, CA 94249-0091  
(916) 319-3081  
FAX (916) 319-3181

December 12, 2019

David Fisher  
Chief Executive Officer, Enova International  
175 W. Jackson Boulevard  
Chicago, IL 60604

Dear Mr. Fisher:

I write this letter to inform you of forthcoming changes to California law related to consumer loans. The California State Legislature passed Assembly Bill 539, which was signed into law by Governor Gavin Newsom on October 10, 2019. Starting in 2020, this new law prohibits lenders from collecting charges on a consumer loan of \$2,500 - \$10,000 that exceed an annual rate of 36% plus the federal funds rate.

Reports provided by Enova International to the California Department of Business Oversight (DBO) indicate that a large majority of the loans originated by Enova to California borrowers in 2017 and 2018 had interest rates that exceed the cap provided by Assembly Bill 539. I am aware that you and your management team have told investors and Wall St. analysts that Enova intends to evade the statutory interest rate cap through the use of bank partnerships. Such intentions seek to undermine the will of Californians as expressed through their democratically elected representatives, and such efforts will be met with stiff opposition from the State's enforcement agencies.

Over the past few years, several bills were introduced to address the growing volume of high-cost loans that result in nearly 100,000 defaults each year. Those previous efforts contained interest rate provisions that were more restrictive than the cap provided by Assembly Bill 539, and legislators decided against advancing those bills to the Governor after expressing concerns about access to credit.

Learning from previous efforts, I introduced Assembly Bill 539 with an interest rate cap of 36% plus the federal funds rate. This was a thoughtful compromise based on an analysis of borrower outcomes as reflected in annual reports and from conversations with borrowers and lenders alike. As legislators considered their positions on the bill, they



heard from a number of large lenders who communicated their ability to serve nonprime consumers at interest rates that complied with the bill. Some companies, including Enova, told legislators they could not comply with the bill and would stop making loans to California consumers. In the end, legislators overwhelmingly agreed with the provisions of Assembly Bill 539 and approved it by a 60 – 4 margin in the State Assembly and a 30 – 5 margin in the State Senate. The bill received bipartisan support with over 40% of Republicans voting “aye” on the bill.

The State of California will not abide Enova’s attempts to continue business as usual. The Legislature and Governor examined the evidence and concluded that business models that rely on triple-digit interest rate installment loans to cover loan default rates of 40% are not serving California consumers well. The State of California has a long-established public policy interest in protecting its consumers, an interest that has been sustained by the judicial branch and an interest that will be defended if Enova attempts to evade the law.

During Enova’s earnings call on July 25, 2019, you told investors, “there is no reason why we wouldn’t be able to replace our California business with a bank program.” Subsequently, on your earnings call on October 24, 2019, you were asked if Enova would be interested in lending to California consumers with loans below 36%, and you responded with “a clear no.” These statements suggest that Enova will attempt to evade California’s statutory interest rate caps by using bank partnerships.

Federal courts, including the Central District of California, have shown that they evaluate the substance of arrangements, not simply the form. Arrangements where Enova maintains the predominant economic interest in loan transactions will justify California’s case that Enova is the true lender. As the true lender, Enova would be subject to applicable state laws, including the California Financing Law and the Unfair Competition Law.

As Chair of the Assembly Banking Committee, I will continue to provide a consistent spotlight on Enova’s activity with California consumers. I will work with our Attorney General and Commissioner of Business Oversight to ensure that the intent of Assembly Bill 539 is carried out. I ask you and your company to serve California consumers exclusively with loans that comply with the interest rate provisions of the California Financing Law.

Sincerely,



**MONIQUE LIMÓN**

Assembly Member, District 37

**From:** [Matt McKool](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** [External] I oppose Enova acquisition of Grasshopper bank  
**Date:** Thursday, February 26, 2026 9:21:14 AM

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**PLEASE NOTE: This email is not from a Federal Reserve address.**

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Gentlemen,

There is enough predatory lending in this country. Usury laws no longer restrict predatory lending practices and the obscene predations by unscrupulous lenders needs to be restricted or stopped altogether.

High interest rates prey on the weak and poor. There is enough lending incentive out there already. Decades ago, I was a victim where I faithfully paid on an account for years. I eventually paid three times the amount borrowed and still owed more than twice the amount borrowed. I went to court and cancelled that debt. No one else should need to do that.

This action would enhance the predations exponentially. I urge that this application by Enova be denied.

Matt McKool, Attorney



Colette A. Fried, Assistant Vice President  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, IL 60690-1414  
via email to: [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

Dear Ms. Colette A. Fried,

I am writing today to express my strong support for Enova International's proposed acquisition of Grasshopper Bank. Enova is a market-leading U.S. lender focused on consumer and small businesses that are often left behind by traditional banks.

Given the consolidation of the banking industry and the decline in small and medium-sized consumer banks, this acquisition is likely to add to, not subtract from, financial services competition.

Enova has a proven track record of free-market success, boasting 21 years of positive earnings and 11 years trading on the New York Stock Exchange. Since 2004, the company has served over 13 million customers and originated \$65 billion in loans.

There are likely to be pro-growth, pro-consumer synergies from an approved marriage between Enova, a highly successful fintech company, and a dynamic digital-first bank like Grasshopper. This will provide more consumer financial choices at potentially lower costs.

The super-sized banks like JP Morgan are projected to spend \$20 billion on tech in 2026 to create an impenetrable industry moat. This scale advantage is happening at a time when traditional banks are rapidly closing physical branches across the country, leaving everyday consumers and local businesses stranded with fewer options for the banking services they depend on.

This merger empowers Enova to use its proprietary machine learning and analytics to deliver a more comprehensive suite of financial products across a greater number of states, filling the massive void left by legacy banks. To repeat this merger will likely enhance, not diminish, financial service competition.

1155 15th St NW, Ste 525  
Washington, DC 20005  
[UnleashProsperityNow.com](http://UnleashProsperityNow.com)

Activists routinely demonize these lenders, claiming that the risk-based interest rates charged are "predatory." But predatory to whom? Many times, these smaller and more agile financial services companies offer loans when more traditional banks close their lending windows. This leaves small businesses and working-class families out of options when they need emergency access to meet payment demands.

When Congress or federal regulators set rate caps at below-free market rates, the result rarely is to make credit cheaper. Often the caps cut out the poor and beleaguered parties, leaving them without access to any emergency capital at all.

The Federal Reserve Bank of New York documented this exact point in a December 2025 study. They found that, consistent with standard price theory, interest rate caps force a contraction in credit to the riskiest borrowers, and without improving delinquency rates. Specifically, under a regime of rate caps, debt balances for high-risk borrowers declined by 17% and the number of their credit accounts dropped by 20%.

Furthermore, the tired activist claim that fintech lending models rely on "unsafe" underwriting practices to trap borrowers is factually barren. A July 2025 study by the Federal Reserve Bank of Philadelphia showed that bank-fintech partnerships successfully extend larger lines of credit to consumers with low or missing credit scores. Thanks to alternative data and advanced underwriting, these partnerships actually led to a DECLINE in default rates for nonprime borrowers, which advantages lenders and borrowers.

Fintech tools improved the effectiveness of credit decisions, allowing banks to better differentiate between nonprime borrowers who were good credit risks and those who were not. These results underscore the social value of these Fintech lenders, even though regulators see only risk and not reward.

The OCC has already established a strong, pro-innovation precedent that should guide your approval of this merger. During his highly effective tenure, Acting Comptroller Rodney E. Hood correctly embraced bank-fintech partnerships and streamlined bank merger applications to promote competition and economic growth.

Just recently, under his leadership, the OCC approved the fintech SmartBiz Loans' acquisition of CenTrust Bank. As Mr. Hood accurately noted at the time, "A safe, sound

and fair fintech business model has a place in today's federal banking system," and approving such mergers demonstrates a commitment to expanding financial access across the country. Regulators must not abandon this forward-thinking framework just because of agitation and threatened lawsuits from liberal consumer groups.

By acquiring Grasshopper, Enova will add to the financial service industry array of consumer and business choices. That is the outcome that federal regulators and Congress should wish to see.

This merger reflects the financial reality that lending practices and needs are evolving at a warp speed to serve 21st century financial service customers. Many of the well-meaning regulations and antitrust concerns of many decades ago are antiquated and even counterproductive as America moves to sustain its lead in banking transactions globally. While we want to protect the public from unscrupulous lenders, we also want to allow fintech innovation to enhance options for speedy and efficient monetary transactions.

These are the strong reasons why I urge you to approve this transaction in a speedy manner and allow the market to serve consumers and small businesses. Costs will fall and access to financial services for borrowers will improve even as their demands for banking services are set to accelerate.

I am at your service at any time if you have any additional comments or inquiries.

Sincerely,

Stephen Moore

Co-founder of Unleash Prosperity

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