

**From:** [Fried, Colette A](#)  
**To:** [CHI SR Comments Applications](#)  
**Subject:** Fw: [External] Re: Enova's public comments regarding the bank holding company application  
**Date:** Friday, April 24, 2026 4:31:53 PM

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**From:** Reid Brady <reidmbrady@gmail.com>  
**Sent:** Friday, April 24, 2026 10:05:04 AM  
**To:** Fried, Colette A <colette.a.fried@chi.frb.org>; Nonaka, Michael <mnonaka@cov.com>  
**Subject:** [External] Re: Enova's public comments regarding the bank holding company application

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

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One other item of note. Mr. Fisher set up a 105-b trading plan to sell 80% of his remaining shares over the next year. 2 days after I filed my first public comment letter.

<https://www.sec.gov/ix?doc=/Archives/edgar/data/0001529864/000119312526174021/ena-20260331.htm>

### **Insider Adoption or Termination of Trading Arrangements**

During the quarter ended March 31, 2026, none of our directors or Section 16 officers adopted, modified or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408, except as follows:

On January 30, 2026, David Fisher, Executive Chairman of the Board of Directors, adopted a written plan for the sale of up to 256,498 shares of the Company’s common stock that is intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act. Any sales under the plan may not commence prior to May 21, 2026. The plan will expire on February 11, 2027, or on any earlier date on which all shares subject to the plan have been sold.

On Fri, Apr 24, 2026 at 7:25 AM Reid Brady <[reidmbrady@gmail.com](mailto:reidmbrady@gmail.com)> wrote:

Hi Collette,

I know the public comment period has expired, but Enova released its Q1 earnings yesterday

and made some rather aggressive comments regarding its application.

" We continue to expect a second half of 2026 closing of our acquisition of Grasshopper Bank as we remain engaged with regulators on the typical application review process. In addition, we are highly encouraged by the readiness we are building across the companies through integration planning to ensure we hit the ground running on day one to deliver on the significant synergies from geographic expansion of our existing products and lower funding costs from Grasshopper's deposit businesses. We remain well positioned to deliver sustainable and profitable growth this year and beyond.""

<https://ir.enova.com/2026-04-23-Enova-Reports-First-Quarter-2026-Results>

This seemed odd to me given that you state in the application acknowledgement that the board typically acts within 60 days of receipt. We are well beyond that deadline.

Their debt is now up to \$4,833M vs accrual balances of \$4,682M. I feel this evidence should be considered as bearing on the managerial resources consideration under under 12 U.S.C. § 1842(c)(2).

Lastly, when can I expect my very non confidential comment submissions to be added to the reading room?

Thanks in advance,  
Reid Brady, CFA



May 8, 2026

The Honorable Jerome H. Powell  
Chair  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, D.C. 20551

**VIA EMAIL:** [Comments.applications@chi.frb.org](mailto:Comments.applications@chi.frb.org)

**Re: Deny Enova's national bank charter application**

Dear Chair Powell:

Georgia Watch and the 15 co-signers below strongly oppose granting a national bank charter to Enova and we urge the Board of Governors to deny its application. In Georgia, one of 21 states and the District of Columbia where payday lending is categorically illegal, we have seen first-hand that communities are better off without these products. Predatory debt traps—such as the triple-digit APR loans made by Enova—deepen financial distress and drive repeat borrowing. Granting Enova a national bank charter would enable Enova to claim the right to export its extremely high-interest loans nationwide, overriding longstanding state usury and consumer protection laws. These types of debt-trap loans disproportionately harm communities of color, women, seniors, and young people. This is an urgent threat to economic and racial justice.

**History of predatory lending in Georgia**

Payday lending and similar industries have a long history in our state. At the turn of the 20th century, Georgia stopped lenders from using assignments of future wages as security and from rolling over debt—both common practices at the time. In response, lenders began buying future wages outright and finding ways around the roll-over ban. In the 1950s, Georgia fired back by instituting its first usury caps for small dollar loans. It also required small lenders to register with the state's Office of the Industrial Loan Commissioner.



Unfortunately, these regulations could not stop payday lenders from unearthing other ways to circumvent the law. In the 1990s, lenders began securitizing personal checks and using the “rent-a-bank” model to subvert Georgia’s usury laws. Finally, in 2004, Georgia created an entirely new chapter of the criminal code that effectively outlawed payday lending. This chapter imposed severe criminal penalties for exceeding the state’s usury caps.

Less than ten years later, payday lenders tested the scope of these penalties. The Georgia Office of the Attorney General received complaints that out-of-state lenders were making payday loans through the internet. The Attorney General’s Office was able to fend off these financial predators by threatening to enforce our strict criminal penalties. This incident shows that strong laws against payday lenders can protect consumers even with the mere threat of enforcement.

### **Risks of granting Enova a national bank charter**

A [recent analysis](#) by a coalition of civil rights and consumer groups found that Enova disproportionately targets Black and Latino communities with loans carrying average interest rates of more than 300%. Enova also makes high-cost installment loans through its NetCredit brand, with rates reaching up to 100% APR, far exceeding what Georgia allows for these types of loans. It extends similarly high-cost loans to small businesses through products like OnDeck. Across its portfolio, the company routinely makes loans that are designed to fail, with no sound underwriting or ability-to-repay determination. We are also concerned about the impact of these unsafe loans if extended into Georgia’s rural communities. [Research](#) shows that a greater share of rural Georgians have subprime credit scores than the statewide average. Damage caused by Enova’s unaffordable debt trap loans (which are currently not allowed in our state) would push these scores down even further, thus hindering Georgian’s pathways for economic opportunity over time.

Enova cannot **currently** charge these extreme rates in states with strong usury laws. It now seeks permission from the Office of the Comptroller of the Currency and Federal Reserve Board to acquire Grasshopper Bank, move it to Utah, and convert it into Enova Bank. With no interest rate cap in Utah, Enova Bank would seek to use a national bank charter to export its predatory loans into every state, evading longstanding state protections and undermining responsible local lenders. Put simply, approval of Enova’s predatory bank would devastate low-income communities nationwide and set a dangerous precedent by legitimizing predatory lenders through national bank charters.



At a time of rising costs, stagnant wages, and deepening housing insecurity, approving a national bank that makes predatory loans would only exacerbate that harm. Strong interest rate caps remain the most effective way to stop exploitative lending, and [research consistently shows](#) that access to safe and affordable credit **increases** after high-interest rate loans are banned. The board must uphold these protections and reject Enova's charter application.

Sincerely,

A handwritten signature in blue ink that reads "Liz Coyle".

Liz Coyle  
Executive Director  
Georgia Watch

On behalf of these undersigned organizations:

Access to Capital for Entrepreneurs (ACE)  
Atlanta Center for Self Sufficiency  
Georgia Advancing Communities Together, Inc.  
Alliance 85, Inc.  
Capital Good Fund  
CADRE (Communities Aligned for Deeply Rooted Elderhood)  
Kindred Futures  
Partnership for Southern Equity  
9-to-5 Georgia  
Latino Community Fund Georgia  
Georgia Micro Enterprise Network (GMEN)  
Morningstar Urban Development Inc  
Self-Help Credit Union  
Society of St. Vincent de Paul Georgia Inc.  
The Ark United Ministry Outreach Center



April 22, 2026

Jerome H. Powell, Chair  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551-0001

Subject: Status Update: Meeting Request Regarding Application of Enova International, Inc., Chicago, Illinois (“Holding Company”), for prior approval of the Board of Governors of the Federal Reserve System (the “Board”), pursuant to Section 3(a)(1) of the Bank Holding Company Act of 1956, as amended, and Section 225.15 of Regulation Y, to become a bank holding company by acquiring Grasshopper Bancorp, Inc. (“Grasshopper”) and thereby indirectly acquiring Grasshopper Bank, National Association, (“Grasshopper Bank”) both of New York, New York through merger with Enova Interim Bank, N.A., South Jordan, Utah.

Dear Chair Powell:

The undersigned civil rights and consumer advocacy organizations write to lodge our objection to the merger application of Enova International, Inc. (Enova) and Grasshopper Bank. We also make a formal request for a meeting to discuss our serious concerns. Our objections arise specifically under the Federal Reserve’s review authority under the Bank Holding Company Act (BHCA), which requires consideration of financial resources, managerial competence, the convenience and needs of communities to be served, and anti-competitive effects. As detailed below, each of these criteria weighs against approval. We note that the Office of the Comptroller of the Currency denied the Center for Responsible Lending’s request for additional time and a public hearing less than a week after submission. The OCC’s review is principally focused on the Bank Merger Act criteria — safety and soundness, competitive impact, and the mechanics of the transaction. The Federal Reserve’s BHCA review is meaningfully broader: it encompasses a consolidated assessment of the holding company’s managerial competence, its overall financial condition, and — critically — the convenience and needs of the communities the resulting institution will serve. Those are precisely the dimensions on which Enova’s record is most troubling, and they are dimensions the OCC’s process does not fully reach. We therefore urge the Federal Reserve to conduct a rigorous, independent review that does not simply defer to the OCC’s determination.

## The Context

Enova offers two consumer installment loan and line-of-credit products through its CashNetUSA and NetCredit brands. NetCredit rates reach 99.99% APR and CashNetUSA's go as high as 299% APR. Rather than lend at these levels through a FDIC-regulated bank partner, which is prohibited in up to 45 states, depending on the size of the loan,<sup>1</sup> Enova seeks a bank charter so that it can ignore state interest rates and offer those rates nationally.<sup>2</sup>

OnDeck, a loan product of Enova, offers loans to small businesses with interest rates of up to 99.99% APR. These figures are drawn from Enova's own application materials and response letter and are not disputed.<sup>3</sup>

Black and Latino communities disproportionately use non-bank, fintech installment loans. Use of high-cost non-bank installment loans increased between 2021 and 2022 only for Black and Latino/Hispanic households, almost tripling for Black households.<sup>4</sup> High-cost lenders have long targeted these communities.<sup>5</sup>

Indeed, data indicate there are thousands of complaints nationwide lodged against Enova, centered among communities of color. We conducted a review of the Consumer Financial Protection Bureau (CFPB) complaint database and uncovered a disproportionately high level of complaints from majority-minority Zip Code Tabulation Areas (ZCTA).

Since 1/1/2018, 3,990 complaints were made to the CFPB about Enova and its products (NetCredit, CashNet, and OnDeck). About half of the complaints were from residents of majority-minority Zip Code Tabulation Areas (ZCTA), which is considerably disproportionate to the 36.6% of the US

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<sup>1</sup> See National Consumer Law Center, [Fact Sheet: State Annual Percentage Rate \(APR\) Caps for \\$500, \\$2,000, and \\$10,000 Installment Loans](#) (Dec. 18, 2025).

<sup>2</sup> Enova current evades some state interest rate limits by lending through a rent-a-bank scheme but it avoids other states that have a record of enforcing their rate cap laws. See NCLC, [High-Cost Rent-a-Bank Loan Watch List](#) (Feb. 26, 2026).

<sup>3</sup> Enova's response indicates it does not partner with a bank to provide loans under the CashNetUSA credit program, which will not be migrated to the bank

<sup>4</sup> See generally, [Predatory Installment Lending in the States: How Well Do the States Protect Consumers Against High-Cost Installment Loans? \(2025\) - NCLC](#), Financial Health Network, FinHealth Spend Report 2023, at 26 (June 2023), <https://finhealthnetwork.org/wp-content/uploads/2023/06/Spend-Report-2023-Final.pdf>

<sup>5</sup> See Spencer Cowan & Brent Adams, Woodstock Inst., Illinois's Predatory Loan Prevention Act: The Impacts of the State's 36% Rate Cap 5 (Jan. 2024) (reporting that, prior to the state's institution of a 36% rate cap, "areas with the highest percentages of Black residents had the highest incidence of payday and installment payday loans per capita, by far"; note that installment payday loans are ones with terms between 112 and 180 days, so would include loans closely matching our sample 6-month \$500 loan); Brandon Coleman & Delvin Davis, Center for Responsible Lending, Perfect Storm: Payday Lenders Harm Florida Consumers Despite State Law 7, Chart 2 (Mar. 2016), [https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl\\_perfect\\_storm\\_florida\\_mar2016\\_0.pdf](https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_perfect_storm_florida_mar2016_0.pdf)

population that lives such areas.<sup>6</sup> This raises alarms that the harms caused by Enova are disproportionately borne by communities of color. This disproportionality must be investigated.

High-cost loans do not promote financial inclusion for communities of color. Instead, they add to debt, increase financial struggles, drive borrowers out of the banking system, and exacerbate existing disparities.<sup>7</sup>

Enova also offers small business loans. Black and Latino communities typically lack access to small business capital due to unaddressed systemic discrimination. The answer is not to lend at predatory rates as Enova does. Underserved communities should not be subject to such high, predatory costs. A 2020 study analyzing data from the Kauffman Firm Survey (KFS) -- the only nationally representative longitudinal dataset that provides data on new businesses' access to capital, employment activities, credit scores, survival rates, and characteristics of the business owners, including race -- found that new Black-owned businesses had only one-third of the capital of new white-owned businesses. After controlling for a wide range of variables, including business characteristics, wealth, and credit score, the authors were able to account for only about one-third of that difference. Moreover, over the seven-year period covered by the study (2004 to 2011) Black-owned businesses were less able to attract capital than white-owned businesses, which was largely attributable to differences in the ability of Black-owned businesses to obtain bank loans and other forms of bank credit.<sup>8</sup>

Enova's history of engaging in high-cost lending to individuals and small businesses are not only high-risk for the de novo financial institution but harmful to consumers. Indeed, Enova has been subject to multiple enforcement actions and several private litigation actions related to consumer protection violations.

High-cost lending poses high credit risks and default rates, with charge-off rates exceeding 50%, violating 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>9</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.

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<sup>6</sup> U.S. Census Bureau. "ACS Demographic and Housing Estimates." American Community Survey, ACS 5-Year Estimates Data Profiles, Table DP05,

[https://data.census.gov/table/ACSDP5Y2024.DP05?g=010XX00US\\$8600000](https://data.census.gov/table/ACSDP5Y2024.DP05?g=010XX00US$8600000). Accessed on 7 Apr 2026.

<sup>7</sup> See Consumer Fin. Prot. Bureau, Online Payday Loan Payments 3-4, 22 (Apr. 2016), [https://files.consumerfinance.gov/f/201604\\_cfpb\\_online-payday-loan-payments.pdf](https://files.consumerfinance.gov/f/201604_cfpb_online-payday-loan-payments.pdf).

<sup>8</sup> Fairlie, Robb & Robinson, Black and Whites: Access to Capital Among Minority-Owned Startups, [https://www.nber.org/system/files/working\\_papers/w28154/w28154.pdf](https://www.nber.org/system/files/working_papers/w28154/w28154.pdf)

<sup>9</sup> National Consumer Law Center, [Comments on the Application to Charter Enova Interim Bank & Acquire Grasshopper Bank](#) (Feb. 27, 2026); **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)

As such, we wish to refute Enova's claims that its products will be a benefit to underserved, nonprime borrower communities, particularly communities of color. Enova's response does not engage this fundamental point.

Access to credit at triple-digit interest rates does not satisfy the BHCA's convenience-and-needs standard. Products that increase indebtedness, drive borrowers out of the banking system, and disproportionately harm communities of color are not a public benefit under any reasonable regulatory construction of that term. The Federal Reserve's review must account for the quality and cost of credit being offered, not merely its availability.

### **The Inadequacy of Enova's Response**

Enova's response to our comments was superficial and boilerplate. We have confirmed that the identical response was submitted to California groups, and a substantially similar one was sent to NCRC. This is not incidental: it demonstrates that Enova views stakeholder engagement as a procedural formality rather than a genuine opportunity to address documented harm. The Federal Reserve should weigh this conduct as evidence of the managerial posture Enova would bring to community obligations as a bank holding company.

A review of Enova's response confirms that it does not meaningfully engage the core concerns raised. The following illustrates why each of Enova's principal arguments falls short:

- 1) Enova will expand its exorbitant 100% APR lending nationally. While some fintechs are associated with high-cost lending, it is unprecedented for a national bank to be associated with a loan program primarily focused on loans that are offered at 99.99% APR. Likewise, it is unprecedented for a financial holding company under FRB consolidated supervision to offer loans at such rates. Enova's own response confirms it employs a rent-a-bank model, partnering with FDIC-insured banks to export the interest rates of those banks' home states to borrowers nationwide — sidestepping the usury protections of borrowers' own states. Notably, Enova's response acknowledges in a footnote that CashNetUSA — one of its highest-cost products — will not be migrated to the resulting bank. This admission is telling: Enova is carving out its most problematic product from the national bank — for now -- because it cannot survive regulatory scrutiny. But that CashNetUSA loan program with rates up to 299% would still be offered by a company owned by a bank holding company, if the Federal Reserve approves Enova's application. Carving the highest rate loans out of the national bank is not a cure; it is evidence of the underlying problem. And critically, it is a voluntary representation with no binding force — nothing in Enova's application prevents it from seeking to migrate CashNetUSA into the national bank after approval is secured. At a minimum, if the Federal Reserve approves this application, that representation must be converted into a permanent, enforceable condition of approval and Enova must pledge not charge rates that exceed those offered by NetCredit today. We emphasize, however, that such a pledge would not alleviate our concerns, as NetCredit also charges predatory rates and has exorbitant charge-off rates.

- 2) Enova attributes its history of enforcement actions to unintended technical systems and processing errors, which it states it has addressed. This certainly deserves public scrutiny and further explanation on Enova's part. Enova notes that the CFPB terminated its consent orders in September 2025. But that termination occurred during a period of dramatically reduced CFPB enforcement activity, and termination is not exoneration. The Federal Reserve should conduct its own independent review of the underlying facts rather than treating CFPB termination as a clean bill of health on the issues addressed in the enforcement action. The documented consumer harm — including unauthorized charges and unauthorized payment processing — was real, and the pattern warrants scrutiny from the Fed independent of what the CFPB did or did not do.
- 3) Enova's response claims its high-cost lending is consistent with "safe and sound banking principles." This assertion defies scrutiny. Even setting aside the CashNetUSA portfolio, Enova's NetCredit products have charge-offs over 50%. High default rates are a structural feature — not an aberration — of Enova's high-rate APR lending models; they are how the math works. The Federal Reserve should independently assess whether Enova's underwriting standards, loss reserves, and capital adequacy are actually consistent with prudential banking standards, and not accept Enova's self-assessment at face value.
- 4) Enova cites Grasshopper Bank's 2022 Satisfactory CRA rating as evidence of a commitment to community reinvestment. This reliance is misplaced. Grasshopper Bank is a de novo digital commercial bank with a narrow consumer lending footprint; its CRA evaluation explicitly noted that lending activity was assessed relative to its "de novo status, size, and business strategy." A Satisfactory rating earned by a small digital startup under those limited conditions does not constitute meaningful evidence that a holding company whose core business is high APR consumer lending with high charge-offs will meet the convenience and needs of underserved communities under consolidated Federal Reserve supervision. The Federal Reserve should assess CRA compliance prospectively, based on what the resulting institution will actually do — not what Grasshopper Bank did before Enova acquired it.
- 5) Enova claims 85% customer satisfaction. This figure is self-reported and unverified. It stands in sharp contrast to the documented consumer complaints in the CFPB's database and described by state advocacy organizations regarding CashNetUSA, NetCredit, and OnDeck — complaints involving unauthorized charges, unaffordable loans, excessive fees, deceptive practices and abusive collection practices. The Federal Reserve should weigh documented consumer harm over Enova's internal metrics.

- 6) Enova argues its acquisition creates new competition in banking markets and therefore warrants approval. But competition in predatory lending at 99.99% APR is not a public benefit under the BHCA's convenience-and-needs standard. The relevant question is whether the resulting bank will expand access to affordable, responsible credit — a standard Enova's existing product suite plainly fails to meet.

In addition to the comments submitted by CRL and NCLC, state consumer advocacy organizations in California, Illinois, North Carolina, and other states have documented specific consumer harm arising from Enova's CashNetUSA, NetCredit, and OnDeck products. Those complaints include: loan rollovers and re-borrowing cycles that trap borrowers in sustained high-cost debt; unauthorized or disputed payment withdrawals consistent with the CFPB enforcement findings; unaffordable loans and aggressive collection practices; and marketing practices that obscure the true cost of credit from borrowers with limited financial alternatives. These are not isolated incidents — they reflect the structural operation of a high APR business model applied to financially vulnerable consumers. The Federal Reserve should formally solicit testimony from affected borrowers and the organizations that represent them before rendering any determination on this application. The record before the OCC did not include that testimony; the Fed's record should.

### **Conclusion**

As of the date of this letter, we await response from the FRB to our comment, and we write again to express our alarm that the resulting national bank and bank holding company will proceed with offering unaffordable loans at predatory rates. We therefore call on the Federal Reserve to: (1) deny Enova's application to become a bank holding company on the grounds that the application fails to satisfy the convenience-and-needs and managerial-competence criteria of the BHCA; (2) hold a public hearing at which affected consumers may present testimony regarding the documented harm caused by Enova's products; (3) conduct an independent review of Enova's compliance history and the circumstances surrounding the CFPB consent order terminations, rather than relying on Enova's self-reporting; (4) conduct a review of Enova's underwriting practices at both NetCredit and On Deck, charge-off rates, marketing practices and debt collection practices, and (5) in the event the Federal Reserve determines that approval is nonetheless warranted, impose as a permanent condition of that approval an explicit prohibition against Enova migrating the CashNetUSA credit program — or any substantially similar high-cost product with rates that exceed those offered by NetCredit today — into the resulting national bank at any future point. Enova's own application acknowledges that CashNetUSA will not be migrated to the bank. That acknowledgment should be memorialized as a binding, enforceable condition rather than a voluntary representation that Enova could walk back after approval, and Enova should not be allowed to expand NetCredit's lending into the territory occupied by CashNetUSA today. Enova's high-rate, high charge-off lending programs at NetCredit and On Deck are highly problematic and should not be allowed under a national bank or bank holding company.

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We have presented ample reasons to deny this application, and this would be the ideal outcome. If our request is not granted, the Federal Reserve has clear authority to impose ongoing conditions on bank holding company approvals, and the documented harms of NetCredit, OnDeck, and CashNetUSA products to communities of color make a permanent restriction not only appropriate but necessary. The communities most harmed by predatory lending deserve no less.

Sincerely,

Center for Responsible Lending

Leadership Conference on Civil and Human Rights

Legal Defense Fund

NAACP

National Consumer Law Center (on behalf of its low-income clients)

Cc: Austan Goolsbee, President, Federal Reserve Bank of Chicago



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

April 21, 2026

Chameen K. Letourneau, Supervision Manager, Mergers & Acquisitions  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60690-141

Subject: Status Update: Meeting Request Regarding Application of Enova International, Inc., Chicago, Illinois (“Holding Company”), for prior approval of the Board of Governors of the Federal Reserve System (the “Board”), pursuant to Section 3(a)(1) of the Bank Holding Company Act of 1956, as amended, and Section 225.15 of Regulation Y, to become a bank holding company by acquiring Grasshopper Bancorp, Inc. (“Grasshopper”) and thereby indirectly acquiring Grasshopper Bank, National Association, (“Grasshopper Bank”) both of New York, New York through merger with Enova Interim Bank, N.A., South Jordan, Utah.

Dear Ms. Letourneau:

The undersigned organizations are writing to follow up on the formal comments and meeting request submitted on February 27, 2026 regarding the application by Enova International, Inc., for prior approval become a bank holding company by acquiring Grasshopper Bank.

As the public comment period has now concluded, we would like to inquire about the status of the request for a meeting. While the Center for Responsible Lending’s original filing requested a public meeting, we would also welcome the opportunity for an informal private conference with the Federal Reserve staff and Enova International with the undersigned, as authorized under 12 CFR Section 262.25(c).

We believe such a meeting would be a productive way to:

1. Clarify the specific concerns raised in our written comments.

- a. We wish to discuss and provide evidence of how Enova's high-cost lending harms communities and disproportionately impacts communities of color. We believe there is sufficient reason to question whether Enova products such as CashNetUSA, NetCredit and OnDeck will be a benefit to underserved communities and small businesses. Likewise, we have concerns about whether Enova Interim Bank will meet the convenience and needs of the communities served based on its past practices. We flag the risk profile of a bank holding company that will oversee a fintech that makes consumer loans at exorbitant rates of up to 299% APR, continuing its current practice of partnering with FDIC-insured banks that export interest rates that exceed other states' usury limits.<sup>1</sup> Further, the BHC will be associated with a national bank that lends at 99% APR to small businesses through OnDeck, with no conditions that limit such activity. Finally, we have grave concerns that while Enova has publicly reported that it will not bring CashNetUSA products, which lend at up to 299% APR, into the national bank, it would not be required, and their position can be reversed at any time without, at a minimum, a conditioned approval excluded the company's high-cost lending product lines.
2. Discuss potential resolutions or commitments that could address these community concerns.

We would welcome the opportunity to discuss potential resolutions or commitments by Enova that could address these community concerns and look forward to receiving an update on our requests. In the interim, please let us know if there is a specific Community Affairs Officer assigned to this application whom we should contact directly. Thank you in advance for your time and for ensuring these concerns are thoroughly considered.

Sincerely,

Center for Responsible Lending  
National Community Reinvestment Coalition  
Woodstock Institute

cc: Austan Goolsbee, President and CEO, Federal Reserve Bank of Chicago

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<sup>1</sup> [FinTech and Banks: Strategic Partnerships That Circumvent State Usury Laws](#)

March 19, 2026

## VIA ELECTRONIC SUBMISSION

Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, N.W.  
Washington, D.C. 20551

**Re: Supplemental Comment on Application by Enova International, Inc. to Become a Bank Holding Company and Acquire Grasshopper Bancorp, Inc. [2026-Combination-344662] — Market Microstructure Evidence of Systematic Price Discovery Suppression Through Share Repurchase Program**

Dear Members of the Board of Governors and Staff of the Division of Supervision and Regulation:

### I. Introduction and Summary

This letter supplements my prior comment letters in the above-captioned proceeding. It presents new empirical evidence, derived from tick-level trade data spanning over six years (January 2, 2020 through March 19, 2026), demonstrating that Enova International, Inc.'s (“Enova” or the “Company”) share repurchase programs have systematically suppressed natural price discovery in ENVA common stock. This evidence is directly material to the Board’s evaluation of the managerial resources and future prospects of the Company under Section 3(c) of the Bank Holding Company Act.

The dataset comprises approximately 8.1 million trade records and 13.1 million NBBO quote records sourced from Massive.com, covering the complete transaction history of ENVA across eight distinct buyback authorization regimes: from the pre-program baseline (January 1 – November 4, 2020; 214 trading days) through the current \$400 million program (November 12, 2025 – present; 86 trading days to date). Each regime period begins on the date of the buyback authorization announcement and ends the day before the subsequent authorization, ensuring non-overlapping windows with no gaps. The analysis classifies every trade using the Lee-Ready algorithm against contemporaneous NBBO quotes and measures market microstructure parameters including bid-ask spreads, trade size distributions, trade direction classifications, and odd-lot percentages.

**The central finding is a monotonic, statistically overwhelming transformation of ENVA’s market structure that tracks each successive buyback authorization.** As the repurchase programs scaled from \$50 million to \$400 million across seven authorizations, sell-side trade classification collapsed from 28.6% to 9.8% of volume ( $t = -26.83$ ), midpoint execution surged from 45.7% to 82.1% ( $t = 47.70$ ), average trade size fell from 77.7 to 25.8 shares ( $t = -42.97$ ), and odd-lot trades rose from 58.0% to 90.7% ( $t = 55.00$ ). All t-statistics compare the pre-buyback baseline (214 trading days) against the combined post-\$300M era beginning October 24, 2023 (601 trading days encompassing the final three authorization

regimes), providing ample statistical power on both sides of the comparison. The closing auction cross—the one venue where the buyback broker has no structural advantage—was unchanged ( $t = -0.17$ ).

## II. Relevance to the Pending Application

The Board’s review of a bank holding company application under Section 3(c) of the BHCA encompasses the “managerial resources and future prospects of the company or companies and the banks concerned.” 12 U.S.C. §1842(c)(2). The evidence presented herein is relevant to this determination in three respects.

**First, the buyback program functioned as the mechanism through which insiders executed \$93.1 million in discretionary stock sales during active buyback authorization periods.** The microstructure data demonstrates that these sales were absorbed by a market in which only 9.8% of trade volume reached the bid—meaning the buyback broker was intercepting sell orders at the midpoint, preventing natural price impact from insider selling. This is not a theoretical concern; it is a measured, empirical condition under which every insider sale of the January 30 and February 2, 2026 transactions was executed.

**Second, the progressive atomization of the market raises questions about the integrity of ENVA’s reported stock price as a basis for the exchange ratio in the Grasshopper acquisition.** When 90.7% of trades are odd lots, average trade size is 25.8 shares, and 82.1% of volume executes at the midpoint rather than through natural price discovery, the quoted market price does not reflect the equilibrium that would obtain absent the Company’s intervention. Grasshopper stockholders are being asked to accept consideration valued against a price that the Company itself has structurally supported.

**Third, the management team proposing to operate a federally-insured depository institution has demonstrated a pattern of market structure manipulation that calls into question its fitness to manage an entity with access to the federal safety net.** The same individuals who authorized escalating buyback programs (\$50M → \$150M → \$100M → \$100M increase → \$300M → \$300M → \$400M) while selling their personal holdings into the artificially supported market are the individuals who would govern the resulting bank holding company.

## III. Empirical Findings

### A. Data and Methodology

The analysis uses tick-level trade and NBBO quote data from Massive.com covering January 2, 2020 through March 19, 2026. The complete dataset contains 8,055,789 ENVA trade records and 13,092,201 NBBO quote records stored in a SQLite database. All timestamps are in Eastern Time. Trade direction is classified using the Lee-Ready algorithm, which assigns each trade as buyer-initiated, seller-initiated, or midpoint by comparing the execution price to the contemporaneous NBBO midpoint. Trades are assigned to buyback regime periods based on the authorization announcement dates shown in Table 1.

The eight regime periods are defined as non-overlapping, contiguous windows. Each period begins on the date of the relevant buyback authorization announcement and ends the day before the subsequent authorization. The pre-buyback baseline spans January 1 through November 4, 2020 (214 trading days). The Post \$150M period (November 4, 2021 – February 8, 2022) spans only 66 trading days because the \$100M New Program was authorized just three months after the \$150M program. Statistical tests compare the pre-buyback baseline

against the combined post-\$300M era (October 24, 2023 through present; 601 trading days across the final three regimes), ensuring robust sample sizes on both sides.

## B. Systematic Regime-by-Regime Market Transformation

Table 1 presents the core microstructure metrics across each of the eight buyback authorization regimes. Every metric exhibits a monotonic trend that tracks buyback program size, not market conditions, stock price, or trading volume. The pre-buyback baseline (green) and current \$400M regime (yellow) are highlighted.

**Table 1: ENVA Market Microstructure by Buyback Authorization Regime**

Regime	Days	Spread %	Sell %	Mid %	Avg Size	Odd Lot %	AH Vol %
<b>Pre-Buyback</b> <i>1/1/20–11/4/20</i>	214	0.256%	28.6%	45.7%	77.7	58.0%	35.2%
<b>Post \$50M</b> <i>11/5/20–11/3/21</i>	251	0.227%	23.9%	53.5%	66.1	67.6%	—
<b>Post \$150M</b> <i>11/4/21–2/8/22</i>	66	0.197%	30.7%	49.2%	51.8	75.4%	—
<b>Post \$100M New</b> <i>2/9/22–11/6/22</i>	187	0.207%	24.8%	55.2%	37.7	81.5%	52.4%
<b>Post Increase</b> <i>11/7/22–10/23/23</i>	241	0.212%	22.2%	59.8%	34.5	84.0%	—
<b>Post \$300M (2023)</b> <i>10/24/23–8/11/24</i>	200	0.206%	21.8%	61.6%	36.5	83.9%	52–54%
<b>Post \$300M (2024)</b> <i>8/12/24–11/11/25</i>	315	0.318%	13.1%	76.8%	26.6	89.7%	52–54%
<b>Post \$400M (2025+)</b> <i>11/12/25–present</i>	86	0.468%	9.8%	82.1%	25.8	90.7%	48.4%

*Source: Massive.com tick-level trade and NBBO data, January 2, 2020 – March 19, 2026 (8.1M trades, 13.1M quotes). Lee-Ready classification against contemporaneous NBBO midpoint. Spread calculated as percentage of stock price. Each regime begins on the buyback authorization announcement date and ends the day before the subsequent authorization. Green = pre-buyback baseline (control); Yellow = current regime.*

The statistical significance of these transformations is presented in Table 2. All test statistics compare the pre-buyback baseline (214 trading days, January 1 – November 4, 2020) against the combined post-\$300M era (601 trading days, October 24, 2023 – March 19, 2026).

**Table 2: Statistical Significance of Microstructure Changes (Pre-Buyback vs. Post-\$300M Era)**

Metric	t-Statistic	Direction
<b>Sell Classification</b>	-26.83	Collapsed (28.6% → 9.8%)
<b>Mid Classification</b>	47.70	Surged (45.7% → 82.1%)
<b>Average Trade Size</b>	-42.97	Collapsed (77.7 → 25.8)
<b>Odd Lot Percentage</b>	55.00	Surged (58.0% → 90.7%)
<b>Closing Auction Block</b>	-0.17	Unchanged (~44,000 shares)

*Note: The closing auction block (final row, green) serves as the natural experiment control—the one venue unaffected by buyback execution. Its invariance ( $t = -0.17$ ) confirms that the*

*measured changes in all other metrics are attributable to buyback activity, not to secular changes in market conditions or trading technology.*

### C. The Spread Paradox: From Liquidity Provision to Market Capture

A standard justification for corporate share repurchase programs is that they provide supplemental liquidity and tighten bid-ask spreads. The ENVA data confirms this effect during the initial program phases: spread as a percentage of price narrowed from 0.256% (pre-buyback) to 0.197% (post-\$150M, the tightest observed). However, this relationship reversed under the \$300M and \$400M authorizations. The current spread of 0.468% under the \$400M program is the widest in the entire dataset—nearly double the pre-buyback level—despite the stock price increasing from approximately \$16 to \$148 over the same period.

This reversal is consistent with a liquidity crowding hypothesis: as the buyback program scaled, natural market makers withdrew because they could not compete with a counterparty indifferent to execution quality. The buyback did not supplement the market. It replaced it. The resulting market is characterized by wider spreads, lower natural liquidity, and near-total dependence on a single participant for price support.

### IV. Requested Relief

In light of these findings, I respectfully request the following:

1. **Refer the microstructure evidence to the SEC Division of Enforcement.** (I have submitted this from my perspective) The data presented herein—particularly the \$93.1 million in discretionary insider sales executed into a market where the Company's own buyback program had suppressed sell-side trade classification to 9.8% of volume, combined with the absence of Rule 10b5-1 plans for any insider transaction—warrants investigation under Sections 9(a)(2) and 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder.
2. **Condition any approval on cessation of the buyback program during the pendency of the application.** The Board should not permit the applicant to continue artificially supporting its stock price through a mechanism that suppresses price discovery while the exchange ratio for the Grasshopper acquisition remains based on that price. Grasshopper stockholders are entitled to accept or reject consideration valued at a market-determined price, not an administered one.
3. **Request that Enova produce its buyback broker execution records.** The Board should require Enova to produce the complete execution records of its buyback broker, including daily share volumes, execution timestamps, venue routing, and the identity of the broker-dealer executing the program. These records would permit direct verification of the buyback's role in the microstructure transformation documented herein.
4. **Incorporate this evidence into the Board's managerial fitness determination.** The progressive escalation of buyback authorizations concurrent with insider selling, in a market structure that the Company's own program rendered incapable of natural price discovery, is relevant to whether the applicant's management possesses the integrity and competence required to operate a federally-insured depository institution.

### V. Conclusion

The data presented in this letter documents a market that has been progressively captured by a single participant across seven successive buyback authorization escalations

over a six-year period. The transformation is monotonic across all eight regimes, statistically overwhelming by any conventional standard (the weakest finding carries a t-statistic of  $-26.83$ ), and verified by a natural experiment—the invariant closing auction ( $t = -0.17$ )—that isolates the buyback as the causal mechanism. The individuals who engineered this market structure are the same individuals seeking approval to operate a federally-insured bank. The Board should weigh this evidence accordingly.

Respectfully submitted,

**Reid Brady, CFA**

*Enclosures: Complete SQL extraction methodology and reproducibility documentation available upon request. All analyses are derived from publicly available Massive.com tick-level trade and NBBO data and are fully reproducible. The underlying database (8.1 million trade records, 13.1 million NBBO quote records, January 2, 2020 – March 19, 2026) is available for inspection.*

May 11, 2026

The Honorable Jerome H. Powell  
Chair  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, D.C. 20551

**Re: Deny Enova's national bank charter application**

Dear Chair Powell:

The New York Equity Agenda coalition strongly opposes granting a national bank charter to Enova and urges the Board of Governors to deny its application. In New York, one of 21 states and the District of Columbia where payday lending is categorically illegal, we have seen first-hand that communities are better off without these products. Predatory debt traps—such as the triple-digit APR loans made by Enova—deepen financial distress and drive repeat borrowing. Granting Enova a national bank charter would enable Enova to claim the right to export its extremely high-interest loans nationwide, overriding longstanding state usury and consumer protection laws. These types of debt-trap loans disproportionately harm communities of color, women, seniors, and young people. This is an urgent threat to economic and racial justice.

Enova is a notorious payday lender targeting Black and Latino communities with loans carrying average interest rates of more than 300%. It also extends similarly high-cost loans to small businesses through products like “On Deck.” Across its portfolio, the company routinely makes loans that are designed to fail, with no sound underwriting or ability-to-repay determination. In fact, **Enova charges off more than 50% of its loans**, evidence of a business model built on making risky loans that working-class people cannot afford to pay back. A business model that depends on failure at this scale is not providing access to credit, it is systematically extracting wealth from low-income people and communities. That alone is reason enough to deny Enova's application.

Enova cannot **currently** charge these extreme rates in states with strong usury laws. It now seeks permission from the Office of the Comptroller of the Currency and Federal Reserve Board to acquire Grasshopper Bank, move it to Utah, and convert it into Enova Bank. With no interest rate cap in Utah, Enova Bank would seek to use a national bank charter to export its predatory loans into every state, evading longstanding state protections and undermining responsible local lenders. Put simply, approval of Enova's predatory bank would devastate low-income communities nationwide and set a dangerous precedent by legitimizing predatory lenders through national bank charters.

At a time of rising costs, stagnant wages, and deepening housing insecurity, approving a national bank that makes predatory loans would only exacerbate that harm. Strong interest rate

caps remain the most effective way to stop exploitative lending, and [research consistently shows](#) that access to safe and affordable credit **increases** after high-interest rate loans are banned. The board must uphold these protections and reject Enova's charter application

Sincerely,

*New Economy Project*

*Spirit of Mandela Coalition*

*Lower East Side People's Federal Credit Union*

*Genesee Co-op Federal Credit Union*

*WESPAC Foundation, Inc.*

*Western New York Law Center*

*ACTION FOR A BETTER COMMUNITY (ABC)*

*New Yorkers for Responsible Lending*

*Consumer Reports*

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