From:	Kathryn Arnold
To:	CHI SR Comments Applications
Subject:	[External] Comment Against Enova as a National Bank
Date:	Wednesday, June 03, 2026 1:11:45 PM
Attachments:	Email Signature STJ 26 2.png

NONCONFIDENTIAL // EXTERNAL

I am writing today to voice my concern about the proposed acquisition of Grasshopper Bank by Enova International, Inc. Acquiring this digital bank will position Enova to become a national bank holding company, a scenario that has the potential to harm low- to moderate-income borrowers due to the high interest rates associated with Enova's portfolio of brands.

This acquisition would set a dangerous precedent with the potential to undo years of consumer protections and progress against predatory lending practices. It is reported that Enova plans to relocate Grasshopper's headquarters from New York to Enova's home state of Utah, which on the surface may seem like a logistical decision in an effort to consolidate resources. In the absence of a federal usury limit, this relocation will position Grasshopper, a national digital bank, in a state where there are no state interest rate caps. As a digital bank, this would provide Enova, through Grasshopper, with the ability to charge consumers who live in other states triple-digit interest rates, even if the consumer's home state has a lower interest rate cap. This backdoor method of accessing states which currently have intentionally reduced interest rate caps undermines the work done to protect consumers who are most vulnerable to fall prey to predatory lending practices.

Simply put, predatory lending practices harm consumers. In Enova's home state of Utah, the typical annual percentage rate on a $400, single-payment (14 days or less) payday loan is 548% (Center for Responsible Lending, 2023). In a 2014 report from the Consumer Financial Protection Bureau, over 80% of payday loans in the U.S. are rolled over or refinanced within two weeks. Further, payday lenders collect 75% of their fees from borrowers with more than 10 loans per year, illustrating the cycle of consumer entrapment caused by predatory loans (CFPB, 2023).

It is important to note that in 2019, Enova was accused by the Consumer Financial Protection Bureau of debiting consumers' bank accounts without authorization and failing to honor loan extensions it granted to consumers, and agreed to a $3.2 million settlement. Given its history of consumer harm and deceptive practices, we would be remiss to ignore the warning signs of this acquisition and the negative nationwide impact it may have.

As an advocate for fair lending practices, I stress the importance of carefully considering the ramifications of this acquisition. In the face of rising pressure for fintech companies and digital lenders to innovate, we must still do our due diligence in keeping consumers at the center of our efforts, protecting the most financially vulnerable members of our population. Expanding the reach of a known predatory lender is a recipe for consumer harm disguised as consumer choice.

My best,

Kathryn Arnold

photo

Kathryn Arnold
Chief Executive Officer | Pathfinders
Ph: 817-731-1173 | Fax: 817-731-1207
Web: pathfinderstc.org
6550 Camp Bowie Blvd., Suite 111
Fort Worth, TX 76116

64 Consumer, Civil Rights, Small Business, Legal Services and Community Organizations

June 22, 2026

The Honorable Kevin M. Warsh, Chair
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Request for Full Board Vote and Public Hearing on Applications of Enova and Opportunity Financial to Become Bank Holding Companies

Dear Chairman Warsh,

The Board of Governors is presently reviewing the application of Enova International to acquire Grasshopper Bank and to become a bank holding company. The Board is also expected to shortly receive the announced application of Opportunity Financial ("OppFi") to acquire BNC Bank and to become a bank holding company.

In light of the unprecedented nature of these applications, the significant controversy over them, and the stark ramifications for consumers and small businesses throughout the country, the 64 undersigned consumer, civil rights, small business, legal services and community groups and academics urge the Board of Governors to hold public hearings on the applications. We also request that the Board of Governors consider both applications and that consideration not be delegated to the regional reserve bank.

A public hearing and consideration at the Board level are justified given the unprecedented nature of the applications, the unresolved policy questions that they entail and the significant public protest raised in response to two major non-bank lenders seeking to acquire a banking charter in large part to circumvent state interest rate limits. The Enova and OppFi proposals are unprecedented on a number of fronts. They would be the first national banks whose core business models focus on:

- Astronomical rates that could reach 100% to 160% annual percentage rates (APRs) or higher.
- Loans prohibited by the laws of up to 45 states, depending on the size of the loan.
- Unaffordable loans with high charge-offs of 50% to 60%.
- High refinancing rates, further demonstrating the unaffordability of the loans.

These applications are extremely controversial – 106 organizations signed a letter opposing allowing Enova and OppFi to become national banks.

Before the Board considers these unprecedented applications and makes a decision that could devastate consumers nationwide, it is incumbent on the Board to hear from the communities that will be impacted. Thank you for your consideration.

Sincerely,

Americans for Financial Reform Education Fund	National
Better Markets	National
Center for Digital Democracy	National
Center for Responsible Lending	National

Consumer Action	National
Consumer Federation of America	National
Consumer Reports	National
Health Care for America Now (HCAN)	National
Hip Hop Caucus	National
Just Solutions	National
National Association of Consumer Advocates	National
National Center for Law and Economic Justice	National
National Consumer Law Center (on behalf of its low-income clients)	National
National Consumers League	National
National Disability Institute	National
Public Citizen	National
Woodstock Institute	National
Center for Economic Integrity	Arizona
William E. Morris Institute for Justice	Arizona
Arkansas Against Abusive Payday Lending	Arkansas
Arkansas Community Organizations	Arkansas
Academy of Financial Education	California
California Consumer Protection Attorneys Association ("CCPAA")	California
California Low Income Consumer Coalition	California
Community Legal Services in East Palo Alto	California
Consumers for Auto Reliability and Safety	California
Housing and Economic Rights Advocates	California
Public Counsel	California
Rise Economy	California
TURN - The Utility Reform Network	California
Bell Policy Center	Colorado
Colorado Fiscal Institute	Colorado
Delaware Community Reinvestment Action Council Inc.	Delaware
DC Consumer Rights Coalition	District of Columbia
Prof. Emeritus Arthur E. Wilmarth, Jr., George Washington University Law School*	District of Columbia

Affordable Homeownership Foundation Inc	Florida
Georgia Advancing Communities Together, Inc.	Georgia
Citizen Action/Illinois	Illinois
Indiana Community Action Poverty Institute	Indiana
Maine Equal Justice	Maine
CASH Campaign of Maryland	Maryland
City of Baltimore, Maryland	Maryland
Economic Action Maryland Fund	Maryland
Community Economic Development Association of Michigan (CEDAM)	Michigan
Project GREEN	Michigan
Exodus Lending	Minnesota
Legal Services Advocacy Project/Mid-Minnesota Legal Aid	Minnesota
Economic Empowerment Center DBA Lending Link	Nebraska
New Jersey Appleseed	New Jersey
Brooklyn Cooperative FCU	New York
Fair Finance Watch / Inner City Press	New York
New Economy Project	New York
New Yorkers for Responsible Lending	New York
WESPAC Foundation, Inc.	New York
The Collaborative	North Carolina
My Money Motto	Oregon
Oregon Consumer Justice	Oregon
Oregon Consumer League	Oregon
Community Legal Services of Philadelphia	Pennsylvania
Economic Progress Institute	Rhode Island
South Carolina Appleseed Legal Justice Center	South Carolina
Frances Smith, Executive Director, Zan Wesley Holmes, Jr. Community Outreach Center*	Texas
Texas Appleseed	Texas
Texas Consumer Association	Texas

*Organization listed for identification only cc: Board of Governors

ASSET FUNDERS NETWORK

Grantmakers Advancing Economic Equity

May 27, 2026

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

Re: Concerns about impact of Enova bank charter application on Arkansans

Dear Chairman Warsh:

The following undersigned Arkansas organizations submit this letter urging you to oppose the application by payday lender Enova to acquire a national bank charter. Specifically, we urge the Board of Governors of the Federal Reserve System to reject the proposal by Enova to acquire a national bank charter that would allow them to expand their high-cost lending across the country, including here in Arkansas by overriding our state lending productions. Key concerns include:

- Enova's loan rates reach 100% APR under its NetCredit brand and as high as 300% APR under its CashNetUSA brand.
- These rates far exceed the Arkansas law affirmed by voters in 2011 establishing a constitutional usury rate of 17%. This law has saved Arkansans an estimated $77 million each year.
- Predatory rates cause widespread harm to economically vulnerable Arkansans.

Predatory loans are no longer legal in Arkansas due to the efforts of a coalition of advocacy organizations, former payday borrowers, and community members who implemented a 17% constitutional usury cap. This rate cap has saved Arkansans over $139 million in payday lending and title loan fees. Arkansas has a substantial population of ALICE (Asset Limited, Income Constrained, Employed) households, defined as individuals and families who work full-time yet still struggle to afford basic household expenses. Of the more than 1.2 million households in Arkansas, over 560,000 (47%) fall below the ALICE threshold and are unable to afford necessities such as housing, childcare, food, transportation, healthcare, technology, and taxes. Lacking sufficient income to save or meet monthly banking minimums, many families remain vulnerable to payday lenders, which increases their risk of debt and other credit challenges.

Numerous attempts by predatory lenders to undermine or circumvent this rate cap have been consistently rejected with bipartisan support for more than a decade. We are concerned that approval of this charter would enable Enova to issue high-cost loans that exceed Arkansas's longstanding constitutional cap on interest rates. Therefore, we urge the Board of Governors to reject Enova's application in order to maintain protections for vulnerable Arkansans.

Thank you for your consideration.

Respectfully submitted,

Abby Hughes Holsclaw

Abby Hughes Holsclaw

Abby Hughes Holsclaw
Sr. Director
Arkansas Asset Funders Network

From:	Victoria Monteiro
To:	CHI SR Comments Applications
Subject:	[External] Comment against Enova as a national bank
Date:	Thursday, June 04, 2026 9:09:52 AM

NONCONFIDENTIAL // EXTERNAL

To the Board of Governors of the Federal Reserve System:

I am writing to express my strong opposition to the application submitted by Enova International, Inc. to become a national bank holding company through the acquisition of Grasshopper Bancorp, Inc. and Grasshopper Bank, N.A.

As an individual citizen, I am deeply concerned that approving this application would establish a dangerous and unprecedented regulatory milestone. For the first time, the Federal Reserve would allow a nonbank, triple-digit-interest lender to enter the federal banking ecosystem.

The Federal Reserve must consider how a prospective merger meets the "convenience and needs" of the communities to be served. This application fails to meet that standard for the following reasons:

- **Evasion of State Consumer Protection Laws:** Enova currently operates high-cost lending brands, including CashNetUSA (offering loans up to 300% APR), NetCredit (up to 100% APR), and OnDeck (high-cost small business loans). If granted a national bank charter, Enova will gain the power of federal preemption. This would allow them to export predatory, triple-digit-rate products nationwide, completely overriding the interest-rate caps and consumer protections that state legislatures and advocates have spent decades establishing.

- **Destruction of Household Financial Stability:** State interest-rate caps are the most critical line of defense protecting low- and middle-income families from predatory debt cycles. Granting a high-cost lender the privilege of a bank charter poses an existential threat to the economic stability of underserved communities nationwide, directly undermining local efforts to build household wealth.

- **Misuse of Federal Banking Privileges:** A federal bank charter is a profound privilege. If approved, Enova would gain access to taxpayer-backed federal deposit insurance and the Federal Reserve Discount Window. It is entirely inappropriate to allow these public safety nets to fund and subsidize high-cost, predatory lending structures.

Once approved, a bank holding company charter cannot be easily undone. The risks to consumer protection, financial stability, and the integrity of the national banking system are far too high.

I urge the Federal Reserve Board to protect consumers and uphold state-level financial protections by denying Enova International's application.

Thank you for your time and consideration of these comments.

Sincerely,

Victoria

From:	lee
To:	Office-of-the-Secretary (Board); CHI SR Comments Applications; InnerCity Press
Subject:	[External] Third supplemental comment in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank - hearing date set on FOIA suit, amid State AGs" opposition: AI Letter Should Be Released, and application denied
Date:	Wednesday, July 08, 2026 3:34:44 PM

NONCONFIDENTIAL // EXTERNAL

July 8, 2025

Via E-mail to Office-of-the-Secretary [at] frb.gov

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

Re: Third supplemental comment in opposition to the application by Enova, parent of CashNetUSA, to acquire Grasshopper Bank - hearing date set on FOIA suit, amid State AGs' opposition: AI Letter Should Be Released, and application denied

Dear Chair Warsh, Secretary McDonough:

On behalf of Fair Finance Watch / Inner City Press and in my personal capacity, this is supplemental 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. Inner City Press appealed under FOIA, and then filed a FOIA lawsuit in which the US Attorney's Office yesterday made an appearance for the Fed.

Today the Court set a hearing for September 10:

"The following transaction was entered on 7/8/2026 at 11:56 AM EDT and filed on 7/8/2026

Case Name: Lee v. Board of Governors of the Federal Reserve System
Case Number: 1:26-cv-04556-AT-RWL

Document Number: 13(No document attached)

Docket Text: NOTICE of Hearing: Initial Pretrial Conference set for 9/10/2026 at 9:30 AM before Magistrate Judge Robert W. Lehrburger. The conference will be held via Microsoft Teams. The public may dial in to the listen only line at (646)-453-4442 and enter access code 868 900 017#. Counsel shall jointly complete and file Judge Lehrburger's [Proposed] Civil Case Management Plan and Scheduling Order, which must be submitted in compliance with Judge Lehrburger's Individual Practices no later than one week before the initial case management conference" etc.

In this context, the application should not be acted on other than denial. And, again, the Additional Information letter should be released. This is especially true given the new letter by state Attorneys General. The Fed should consider that letter - and this one.

Previously, the FOIA appeal:

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."

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 and responses by e-mail to lee@fairfinancewatch.org and 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 Wed, Feb 25, 2026 at 8:09 AM lee <lee@fairfinancewatch.org> wrote:

> Feb 24, 2025
>
> Via E-mail to Office-of-the-Secretary [at] 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

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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 and 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> wrote:

> January 31, 2025
>
> Via E-mail to Office-of-the-Secretary [at] 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 and 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

More than banking, we're family!™
GUADALUPE CREDIT UNION
2019 Galisteo St., Ste. K-1, Santa Fe, NM 87505 - GuadalupeCU.org - 505.982.8942

May 22, 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

Re: Application of Enova International to Become a Bank Holding Company

Dear Mr. McDonough:

Guadalupe Credit Union ("GCU") appreciates the opportunity to comment on Enova International's application to become a bank holding company. As a mission-driven, community-based financial institution serving low-income, rural, and credit-challenged households across Northern New Mexico, we believe our experience may assist the Board in evaluating how this application aligns with the standards of the Bank Holding Company Act, including safety and soundness, managerial resources, and the convenience and needs of the communities to be served.

GCU does not comment on Enova's practices directly. Instead, we offer perspective based on our own lending experience and New Mexico's regulatory environment to demonstrate that responsible, affordable small-dollar lending can successfully meet consumer needs without reliance on triple-digit APR products.

New Mexico enacted a 36% APR cap in 2023 to address concerns related to high-cost installment and payday lending. Since implementation, credit unions and CDFIs across the state have continued expanding access to responsible small-dollar credit, demonstrating that borrowers can still obtain needed financing within a regulated and consumer-focused framework.

GCU's own lending data reflects this reality.

From 2022 through 2024, demand for GCU's small-dollar loan products increased significantly:

- 2022: 98 loans
- 2023: 266 loans
- 2024: 1,667 loans

The borrowers we serve are often highly credit-challenged, including many members with very low or no credit scores. Average borrower credit scores during this period ranged from 336–485. Despite this risk profile, GCU's average APRs remained between 16.31% and 20.47%, well below triple-digit rates.

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GUADALUPE CREDIT UNION
2019 Galisteo St., Ste. K-1, Santa Fe, NM 87505 - GuadalupeCU.org - 505.982.8942

Our experience demonstrates that:

- Responsible small-dollar lending is possible, even for vulnerable and credit-invisible borrowers;
- Affordable loan products can remain sustainable for financial institutions;
- Strong underwriting and reasonable pricing support better borrower outcomes and reduce harmful debt cycles.

GCU also encourages the Board to consider the broader implications associated with allowing a high-cost lender to operate under a national bank charter. National banks have historically been held to strong expectations related to safety, soundness, consumer protection, and public trust. Approval of a charter associated with triple-digit APR lending could create significant concerns regarding regulatory consistency and the future interaction between federal preemption authority and state consumer protection laws.

Our comments are not intended to address competition between institutions, but rather to emphasize the importance of maintaining a banking system that supports safe, transparent, and affordable access to credit for underserved communities.

Based on our experience serving low-income and credit-challenged members, GCU respectfully encourages the Board to carefully consider whether approval of this application is consistent with the long-standing safety, soundness, and consumer protection expectations associated with the national banking system.

Thank you for your consideration.

Sincerely,

Tanya Sturgeon
President/CEO
Guadalupe Credit Union