INSTITUTE FOR CONSUMER FINANCIAL CHOICE

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July 28, 2026

The Honorable Jonathan Gould
Comptroller of the Currency
Office of the Comptroller of the Currency
400 7th Street, SW, Suite 1E-216
Washington, DC 20219

The Honorable Kevin Warsh
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

The Honorable Travis Hill
Chairman
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429

Re: Application of OppFi, Inc., Chicago Illinois, to become a bank holding company by acquiring BNC National Bank, Federal Reserve Application Number FRB-115953, and OCC Application 2026-Combination-346751, and FDIC Application Number 20260654

Dear Comptroller Gould, Chairman Warsh, and Chairman Hill:

We write as legal and economic scholars with deep expertise in consumer financial protection, banking regulation, the dual banking system, and the economics of credit access. Professor Zywicki is George Mason University Foundation Professor of Law at Antonin Scalia Law School, served as Chair of the Consumer Financial Protection Bureau Taskforce on Federal Consumer Financial Law (2020-21), Director of the FTC Office of Policy Planning, and has testified over 20 times before Congress on issues of consumer financial protection. Professor Miller holds the Jack R. Lee Chair at Mississippi State and has authored extensive research on small-dollar lending and consumer credit. We are also the co-founders and Co-Directors of the Institute for Consumer Financial Choice. We submit these comments in our individual capacities and not on behalf of any organization, drawing in part on the analysis provided in our recent amicus brief filed in *National Association of Industrial Bankers v. Weiser* (10th Cir. No. 24-1293), which addresses related issues of interstate lending, state opt-out provisions under the Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDA), and consumer welfare in the dual banking system.

We have carefully reviewed the July 15, 2026 letter from the Illinois Attorney General and numerous other state attorneys general focused predominantly on the pending applications by Enova and OppFi to acquire existing national banks and thereby to obtain national bank charters, as well as the July 6, 2026 letter from the New York Attorney General and co-signers concerning Enova International's application to acquire Grasshopper Bank. While we appreciate the attorneys general's longstanding role in consumer protection and share the objectives of a safe, sound, and trustworthy banking system that serves all Americans, we believe their letters mischaracterize the statutory framework, the economics of small-dollar credit, and the consumer benefits of competition in our dual banking system. We respectfully urge you to evaluate pending and future charter, acquisition, merger, and deposit insurance applications according to the neutral statutory and regulatory criteria—safety and soundness, capital adequacy, compliance management systems, Community Reinvestment Act obligations, and fitness of management—rather than effectively advancing a policy of strict usury caps or shielding particular states' regulatory choices from interstate competition. We do not express any opinion on the particular facts of any of the individual pending charter applications.

I. The Dual Banking System: Promoting Competition and Leveling the Playing Field

The United States maintains a distinctive dual banking system in which state-chartered and nationally chartered banks coexist and compete. As the Supreme Court recently reaffirmed in *Cantero v. Bank of America*, this structure reflects and serves the economic and socioeconomic diversity of the nation. Competition between the two systems has long been understood to benefit consumers through lower prices, greater innovation, and expanded access to credit and financial services.

The Supreme Court's unanimous 1978 decision in *Marquette National Bank of Minneapolis v. First of Omaha Service Corp.* held that national banks may charge interest rates permitted by their home state, regardless of the borrower's residence. This ruling unleashed unprecedented competition in consumer credit, most notably in the modern credit card industry, bringing affordable revolving credit to millions of American families who previously relied on pawnbrokers, personal finance companies, and store credit.

Congress responded to the resulting competitive imbalance by enacting DIDA in 1980. DIDA expressly sought "to prevent discrimination against State-chartered" banks with respect to permissible interest rates, extending to them the same exportation rights that national banks enjoyed under the National Bank Act. Notably, DIDA did *not* reverse *Marquette* and thereby enables states to impose their usury ceilings on out-of-state banks that complied with the laws of their home state. In the near-50 years since *Marquette*, Congress has amended banking regulation several times, most extensively in the Dodd-Frank financial reform law.

Not only has Congress implicitly endorsed *Marquette*'s central holding repeatedly, Dodd-Frank specifically prohibited the Consumer Financial Protection Bureau from imposing a national usury ceiling, thereby implicitly reaffirming the principle that banks should be governed by the state in which the bank is located.[1] Congress has never implied, nor would it make any sense, that the Fed, OCC, and FDIC should impose a *de facto* usury regulation by allowing some states to impose their usury regulations on banks located in other states whose products are arbitrarily deemed too expensive, even though in compliance with their home state's law.

The attorneys general's letters effectively ask federal regulators to achieve through the chartering and supervisory process what Congress declined to do directly: impose or reinforce a patchwork of strict usury limits that one group of states prefers, at the expense of competition and access for consumers in all states. This approach is inconsistent with the federalism and competitive balance that Congress deliberately created under the National Bank Act.

[1] 12 U.S.C. §5517(o).

II. Consumer Welfare, Credit Access, and the Effects of Usury Restrictions

The letters characterize high-cost small-dollar and installment lending—whether through consumer lender, bank partnerships, or direct bank operations—as inherently "predatory," targeting the vulnerable, and trapping borrowers in debt cycles. This framing overlooks substantial economic evidence on the negative effects of binding usury caps on consumers, especially those who are most choice-constrained, and the role of diverse lending models in serving underserved populations.

Decades of rigorous economic studies and centuries of real-world experience have unanimously reached an identical conclusion—usury ceilings are harmful to the very people they are purportedly intended to benefit.[2] By interfering with the ability of lenders to price loans efficiently, usury ceilings encourage borrowers and lenders to alter the terms of the loan (such as by requiring co-signers, collateral, or insisting on longer loan maturities or borrowing greater amounts than a consumer would prefer), force consumers to substitute toward more-expensive and less-preferred choices that remain available or rationing of credit access to higher-risk borrowers, making it more difficult to meet financial obligations such as rent, utility bills, groceries, or other necessities. Larger-dollar installment loans such as those offered by the applicants here are especially valuable to subprime borrowers and reducing their availability will push consumers toward greater use of products such as payday loans, pawn shops, bank overdraft protection, and even illegal loan sharks.

These conclusions have also been consistent across the ideological spectrum.[3] Paul Samuelson, the first American to win the Nobel Prize in Economics, wrote in 1969, "For fifty years the Russell Sage Foundation and others have demonstrated that setting too low ceilings on small loan interest rates will result in drying up legitimate funds to the poor who need it most and will send them into the hands of the illegal loan sharks. History is replete with cases where loan sharks have lobbied in legislatures for unrealistic minimum rates, knowing that such meaningless ceilings would permit them to charge much higher rates."[4] Writing a year later in *Newsweek*, fellow Nobel Laureate Milton Friedman observed, "I know of no economist of any standing from [the time of Jeremy Bentham's critique of usury laws] to this day who has favored a legal limit on the rate of interest that borrowers could pay or lenders receive…."[5]

Sensible political leaders and policymakers recommended that public policy reflect economic realities instead of basing policies on wishful thinking replete with unintended consequences. For example, in 1964 New York's new Senator-elect Robert F. Kennedy urged the state legislature (which was investigating organized crime operations in the state) that the most effective way of reducing the influence of organized crime would be to "alter[ ] the state laws on usury so an insolvent person who needs money for legitimate purposes might borrow it at rates that were not exorbitant" rather than being forced to turn to the mafia for funds.[6] Unsurprisingly, the sweeping Senate Permanent Subcommittee on Investigations of the 1960s

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[2] *See* THOMAS A. DURKIN, GREGORY ELLIEHAUSEN, MICHAEL E. STATEN, & TODD J. ZYWICKI, CONSUMER CREDIT AND THE AMERICAN ECONOMY (2014) (providing a comprehensive survey of economic literature on the adverse effects of usury ceilings).
[3] *See* Todd J. Zywicki, *Looking Forward by Looking Backward: The Future of Consumer Finance and Financial Protection*, 19 J. OF L., ECON., AND POL'Y 223 (2024).
[4] Paul Samuelson, Testimony Before the Massachusetts State Legislature Judiciary Committee on the Uniform Consumer Credit Code 164 (Jan. 29, 1969).
[5] Milton Friedman, *Defense of Usury*, NEWSWEEK (Apr. 6, 1970).
[6] *See Inquiry Is Begun on Loan Sharks: Underworld's Investment in Racket is Put at Billion*, N. Y. TIMES at 1 (Dec. 2, 1964) (describing letter from Senator Robert F. Kennedy to New York State Investigations Commission that recommended raising usury ceilings so that borrowers would not have to turn to loan sharks).

into organized crime operations concluded in 1968 that the second largest revenue source of the mafia at that time was illegal loan-sharking.[7] As the bipartisan National Commission on Consumer Finance concluded in its 1972 Report, the needs of consumers for small-dollar credit are met best by facilitating competition, innovation, and entry into consumer credit markets, not through counterproductive price controls.[8]

Recent studies confirm that these basic economic findings have not changed and that strict interest-rate caps reduce credit availability for higher-risk (subprime and deep subprime) borrowers without producing corresponding improvements in borrower outcomes:

- Illinois 36% all-in APR cap: A comprehensive analysis found the cap decreased the number of loans to subprime borrowers by 38% and increased average loan size to subprime borrowers by 35%. It was regressive—access to credit increased for prime borrowers while it contracted sharply for those with weaker credit profiles. Consumer survey evidence indicated worsened financial well-being for many who lost access.[9] (Bolen et al., *Public Choice*, 2023).
- A recent study conducted by the New York Federal Reserve similarly found that the presence of usury ceilings led to "sharp[ ]" contraction of credit availability for riskier borrowers with no reduction in delinquencies.[10]
- Numerous academic studies have concluded that where states impose binding usury ceilings, vulnerable consumers usually substitute alternatives such as pawn shops, bank overdraft protection, bounced checks, late bill payments, and credit card cash advances.[11]

These outcomes are not surprising. Usury caps are price controls. When binding, they cause lenders to ration credit toward safer borrowers and reduce supply for those most in need. Denying credit does not eliminate the underlying demand for liquidity; it often pushes consumers toward less transparent, less regulated, or more expensive alternatives outside the banking system. As a result, not only do usury ceilings reduce credit access to riskier borrowers, they have a *regressive* impact by *increasing* the supply of credit available to lower-risk borrowers.[12]

In short, the claims in the AG letters that usury ceilings are beneficial for consumers are economically illiterate nonsense. Under the principles of federalism and the dual banking system, these states unfortunately have the power to impose laws on institutions based in their state that inflict harm upon their most vulnerable consumers and subsidize credit for wealthier consumers. Although states can exercise their police power to impose their usury ceilings on banks and other

[7] *See* U.S. Senate, Committee on Government Operations, Subcommittee on Legal and Monetary Affairs, Federal Effort Against Organized Crime: Report of Agency Operations (June 1968) (reporting that illegal loan-sharking operations were the second-largest revenue source of the mafia at that time); *see also* REPORT BY THE PRESIDENT'S COMMISSION ON LAW ENFORCEMENT AND ADMINISTRATION OF JUSTICE, THE CHALLENGE OF CRIME IN A FREE SOCIETY 189 (1967) (aka the "1967 Katzenbach Commission Report"). Robert F. Kennedy served as Chief Counsel for the McClellan Committee investigations from 1957-1959 that launched the subsequent investigations into the illegal revenue streams of the mafia.

[8] *See* REPORT OF THE NATIONAL COMMISSION ON CONSUMER FINANCE, CONSUMER CREDIT IN THE UNITED STATES (Dec. 1972).

[9] J. Brandon Bolen et al., *Credit For Me but Not For Thee: The Effects of the Illinois Rate Cap*, 197 PUBLIC CHOICE 397 (2023).

[10] Rajashri Chakrabarti et al., *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of New York Staff Reports, No. 1173 (2025) (finding 16.9% reduction in debt balances and 20% reduction in the number of accounts for riskier borrowers).

[11] *See* discussion in 1 REPORT OF CONSUMER FINANCIAL PROTECTION BUREAU TASKFORCE ON FEDERAL CONSUMER FINANCIAL LAW at Ch.5 (Jan. 2021).

[12] *See* Bolen, et al., *supra* note 9; Chakrabarti, et al., *supra* note 10.

institutions located in their state, they cannot do so for loans made in other states simply because they are dissatisfied with the decisions made by other states. Moral self-righteousness and wishful thinking are not a substitute for sound economic analysis.

National bank regulators are not obliged to indulge the archaic and imaginative economic theories of a subset of states in deciding whether to approve a national bank charter application. A foundation of the safety and soundness of the national bank system has been the commitment of federal regulators to ground decisions in independent, economically-sound analysis, even where that commitment is inconsistent with the political preferences of some states. The observations of the National Commission on Consumer Finance regarding usury ceilings remain as valid today as they were fifty years ago, "Finally, the Commission fails to see why every citizen of the United States is not entitled to qualify for participation in some part of the credit system herein advocated. It can find no validity in the proposition that when the legislature of a particular state refuses to move away from anachronistic notions, its citizens should suffer deprivation of credit afforded others of equal standing."[13]

In this case, as in the prior 150 years of the national bank system, federal regulators should base their decisions on sound economic evidence and the needs of consumers and the national financial system, not ill-informed political posturing.

III. Allowing Non-Traditional Fintech Lenders and Other Institutions to Bring Themselves Within the Regulatory Perimeter of the National Bank System Will Benefit Consumers, Competition, and the Economy

State-chartered community banks, industrial banks, and their fintech partnerships play a vital role in expanding access within the regulated system. Federal Reserve research shows that fintech-bank partnerships disproportionately reach underserved and credit-invisible consumers, increasing access to credit cards and mortgages in areas with less traditional competition.[14] Use of innovative underwriting technologies and cost advantages have enabled fintech providers to underwrite more consumers safely and to enable them to qualify for larger credit lines than legacy institutions. Diminishing these institutions' ability to operate under home-state rules—or discouraging their chartering or partnerships—would reduce options for precisely the consumers the attorneys general seek to protect.

In addition, because these institutions serve consumers that traditional banks do not reach (or often do not care to reach), operating under a bank charter will create an opportunity to expand product offerings to include bank account and payment services as well as other traditional bank products. Recent history records multiple institutions that began operation as a fintech lending company but then eventually obtained a bank charters and evolved into full-service banks. In turn, customer deposits can provide a lower-cost and diversified source of

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[13] *See* NCCF REPORT, *supra* note 8, at 2.

[14] *See* Erik Dolson & Julapa Jagtiani, *Which Lenders Are More Likely to Reach Out to Underserved Consumers: Banks versus Fintechs versus Other Nonbanks?*, Fed. Rsrv. Bank of Phila. Working Paper No. 21-17 (Apr. 2021), https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2021/wp21-17.pdf; Julapa Jagtiani & Catharine Lemieux, *Do Fintech Lenders Penetrate Areas that are Underserved by Traditional Banks?*, 100 J. ECON & BUS. 43 (2018); Gregory Elliehausen & Simona M. Hannon, *FinTech and Banks: Strategic Partnerships That Circumvent State Usury Laws*, Fed. Rsrv. Bd. Fin. & Econ. Discussion Series No. 2023-056 (2023), https://www.federalreserve.gov/econres/feds/files/2023056pap.pdf; Alan Chernoff & Julapa Jagtiani, *The Role of Bank-Fintech Partnerships in Creating a More Inclusive Banking System*, Fed. Rsrv. Bank of Phila. Working Paper No. WP 23-21 (Sept. 2023), https://www.philadelphiafed.org/-/media/frbp/assets/working-papers/2023/wp23-21.pdf.

capital that can reduce operating costs as well as enabling a larger scale of operations and cost reduction. Vertical integration of fintech technologies within a bank structure, instead of operating on a partnership agreement, can further reduce costs and enable greater use of customer-specific information to further facilitate safe and efficient credit underwriting.

High charge-off rates reflect the higher-risk borrower segment being served—individuals with damaged credit whom mainstream banks have declined. This business model is not inherently inconsistent with safety and soundness when accompanied by appropriate underwriting, pricing for risk, capital, reserves, and compliance systems. The Interagency Lending Principles for Responsible Small-Dollar Loans guide well-designed programs serving borrowers so they can satisfy responsible standards.. Prudential regulators have long supervised a range of risk profiles; applying a one-size-fits-all aversion to higher-rate products would shrink the banking system's ability to serve the full spectrum of creditworthy Americans.

Indeed, if the objecting AGs are truly concerned about consumer welfare, they should be pleased that these small-dollar lending companies are voluntarily submitting themselves to the expensive and comprehensive supervisory and oversight obligations imposed on national banks and bank holding companies that are not required of fintech companies. For example, by bringing institutions within the regulatory perimeter, they will be voluntarily subjecting themselves to ongoing examination as well as rules governing capital adequacy and leverage ratios, enterprise risk management requirements and model governance frameworks, fair-lending review, and certain Community Reinvestment Act obligations.

Enabling these applicants specializing in small-dollar lenders to obtain national bank charters will also advance the long-standing policy interests of the Fed, OCC, and FDIC by bringing small-dollar lending activity within the federal regulatory perimeter. The prudential regulatory agencies have long tried to enable banks to make small-dollar loans. For example, from 2008-2009 the FDIC operated a pilot program on small-dollar loans that eventually was abandoned after failing to reach a scale sufficient to significantly meet the needs of consumers. Only a handful of banks participated in the program and the number of banks participating actually declined by 10% over the pendency of the program. Moreover, although the pilot program initially began with a $1000 cap on eligible loan size, the FDIC was soon forced to raise that amount to $2500. Overall, only 18,163 loans were made under the program.

More problematic, the structure of bank offerings made clear that the program could not viably meet the needs of credit-constrained consumers, especially those with an immediate need for credit. Reports by the Southwest Public Policy Institute found that the loans simply were not available for many consumers, as qualifying to even apply for a loan usually required opening a new bank account and a variety of up-front financial or other conditions (such as a monthly maintenance fee or agreeing to have one's paycheck direct deposited into the new bank) and/or an extensive multi-month waiting period to establish a banking relationship before a borrower was even eligible to apply.[15] According to one report on the FDIC's program, one participating bank had an 86% rejection rate and only 14% approval rate for loan applications, suggesting that the program was doing little to meet the needs of higher-risk borrowers.[16]

Subsequent analysis by the FDIC confirmed the reality that the pilot program was not capable of meeting the needs of many consumers. Consistent with the findings of the Southwest

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[15] *See* Southwest Public Policy Institute, *No Loan for You!* (Mar. 2, 2023), *available in* https://southwestpolicy.com/report-no-loan-for-you/; Southwest Public Policy Institute, *No Loan for You, Too!* (June 13, 2023), *available in* https://southwestpolicy.com/report-no-loan-for-you-too/.
[16] *See Viewpoint: FDIC's Bad Bet on Small Dollar Lending*, AM. BANKER (Dec. 15, 2009).

Public Policy Institute, participating banks reported to the FDIC that "given the small size of [the small-dollar loans], the interest and fees generated are not always sufficient to achieve robust short-term profitability." Instead, the programs could only be made economically viable in the long-term through volume and by subsidizing those short-term losses "by using small-dollar loans to cross-sell additional products."[17]

In addition to traditional banks lacking expertise in serving these consumers, the underlying cost structure of consumer credit markets also explains why traditional banks historically have been largely unable or unwilling to make personal loans to lower-income, younger, and higher-risk borrowers. The cost of making loans does not scale linearly with the size of a loan. Many of the costs of lending operations are largely fixed and are not invariant to the size of the loan, such as rent, utilities, labor costs, and other factors. For example, a $3,000 personal finance loan does not cost ten times as much to supply as a $300 loan. As a result, the measured costs of making a smaller loan are relatively larger in proportion to the size of the loan as compared to a larger loan.[18] In states with low usury ceilings, market actors adjust by increasing the amount of the borrowed principle (thereby reducing the size of the underwriting costs relative to the overall amount borrowed) or by lengthening the maturity.[19] Economists have found that in states with lower usury ceilings small loans (under $500 or $1000) are virtually nonexistent as are loans with shorter maturities (under 6 months). Of course, many lower-income, younger, and higher-risk borrowers are unable to qualify for loans at the larger required principal amounts or longer maturities, thereby excluding them from these products. And many of those who do end up qualifying will be forced to borrow more than they need, for longer periods of time, and to pay a larger total amount in finance charges than they would otherwise.

Facilitating the ability of national banks to meet the needs of underserved and more vulnerable consumers is especially urgent given the current regulatory environment in which many of the states objecting to chartering these small-dollar lending institutions are simultaneously challenging the ability of state-chartered banks that have partnered with fintech firms to serve these customers.[20] Although these state stratagems are likely to fail in the end, in the meantime they have cast uncertainty over these markets, increasing the urgency of providing a federal means for enabling consumer needs to be met effectively and competitively.

Enabling new institutions with a track record of success in lending to higher-risk borrowers will bring both those consumers and the institution that serve them within the perimeter of federal regulation and finally meet the traditionally unmet needs of those consumers within the national bank system.

IV. Principles for Evaluating Bank Charters and Acquisitions by Non-Traditional Institutions

Applications for federal charters by fintech or specialty lenders, should be evaluated on the same neutral criteria applied to all applicants: the statutory factors for bank acquisitions and holding company formations (including safety and soundness, financial and managerial resources, competitive effects, and public convenience and needs), capital adequacy, compliance

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[17] *A Template for Success: The FDIC's Small-Dollar Loan Pilot Program*, 4, No. 2 FDIC Quarterly 28, 32 (2010).

[18] *See* 1 REPORT OF CONSUMER FINANCIAL PROTECTION BUREAU TASKFORCE ON FEDERAL CONSUMER FINANCIAL LAW at Ch. 3 and 5 (Jan. 2021).

[19] *See* Thomas A. Durkin, Gregory Elliehausen, and Min Hwang, *Rate Ceilings and the Distribution of Small Dollar Loans from Consumer Finance Companies: Results of a New Survey of Small Dollar Case Lenders* (Dec. 2, 2014), *available in* https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2533143.

[20] *See*, *e.g.*, National Association of Industrial Bankers v. Weiser, 77 F.4th __ (10th Cir. 2025).

infrastructure, and the applicant's ability to operate in a safe and sound manner consistent with federal banking laws and regulations. The ultimate decision must rest on the statutory and regulatory standards, supported by evidence, not on a policy preference for protecting one set of states' usury laws from competitive pressure or for limiting the range of products available to consumers with impaired credit.

The fact that an institution currently or historically has offered high-APR products through partnerships with state-chartered banks in permissive jurisdictions or seeks to operate under home-state rate exportation after acquisition, does not disqualify it. This structure is a direct consequence of *Marquette* and DIDA. Requiring, as a condition of approval, assurances that these lenders will never offer products in states where they would violate local usury laws would effectively nullify this cornerstone of the national bank systems and impose the strictest states' policy preferences nationwide. Moreover, there is no principled reason to apply this novel *ad hoc* standard to these institutions or these products, as compared to credit cards or bank overdraft protection. That is not the role of federal chartering authorities. Congress has chosen not to enact a federal usury ceiling; the dual banking system deliberately allows variation and competition among state regulatory regimes in regulating banks located in their states. Federal prudential regulators should not nullify this implicit congressional choice by effectively allowing certain states to impose their regulatory regime on other states.

Approving qualified applicants that expand the diversity of banking models can enhance competition, innovation, and inclusion. It can keep more credit provision inside the regulated, supervised banking system rather than driving it to less accountable nonbank channels. Conversely, using chartering or supervisory leverage to enforce de facto rate caps or to penalize service to subprime borrowers risks reducing access, increasing consolidation among large national banks, and harming the consumers the letters purport to protect.

V. Conclusion and Recommendations

We respectfully recommend that the OCC, Federal Reserve, and FDIC:

1. Evaluate all charter, acquisition, merger, and related applications according to the established statutory and prudential criteria, without regard to whether the applicant's business model includes higher-rate small-dollar or installment lending products that serve subprime or credit-challenged consumers.
2. Recognize and preserve the competitive benefits of the dual banking system, including the ability of state-chartered institutions (and national banks) to operate under home-state interest rate rules as provided by Congress in DIDA and the National Bank Act.
3. Consider the demonstrated consumer benefits of fintech-bank partnerships and diverse institutional forms in expanding financial inclusion and keeping credit within the regulated system.
4. Base any conditions or denials on specific, evidence-based concerns about safety and soundness, compliance, or other statutory factors—not on the policy goal of shielding strict-usury states from interstate competition or limiting product offerings to higher-risk borrowers.
5. Continue to provide ample opportunity for public comment and, where appropriate, public hearings to ensure transparency, while rendering decisions grounded in law and empirical evidence.

Our dual banking system has served American consumers well for generations by fostering competition, innovation, and access. Bringing fintech lenders within the regulatory perimeter can facilitate competition, financial inclusion, and expanded choice for millions of families and individuals who traditionally have been excluded from the national bank system. Maintaining that system's integrity requires resisting efforts to convert federal chartering and supervision into a mechanism for imposing uniform or one-sided regulatory outcomes that Congress has declined to enact. We stand ready to provide additional research, data, or testimony as the agencies consider these important matters.

Respectfully submitted,

Todd J. Zywicki George Mason University Foundation Professor of Law Antonin Scalia Law School George Mason University	**Thomas W. Miller, Jr.** Jack R. Lee Chair of Financial Institutions and Consumer Finance Mississippi State University

cc: Benjamin W. McDonough, Deputy Secretary of the Board, Federal Reserve System (re: Enova Application)

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August 4, 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 OppFi's Merger Application

Dear Chair Powell:

North Carolina Justice Center strongly opposes the merger application of OppFi, Inc. ("OppFi") and BNCCORP, Inc. and urges the Board of Governors ("the Board") to hold a public hearing to fully examine the harms the proposed transaction would pose to communities, including North Carolina borrowers, and ultimately deny the application.

North Carolina is one of 21 states, along with the District of Columbia, where high-cost lending is banned through vigorous enforcement of our state's usury law, which caps interest rates at 30%. **With over 125 million people living in states that ban high-cost lending**, we know firsthand that our communities are better off without exploitative lenders charging exorbitant interest rates.

Predatory debt traps, like the triple-digit APR loans peddled by OppFi, push people struggling to make ends meet further into debt and leave them worse off. OppFi is a notorious nonbank, fintech installment lender with a history of evading state usury caps. It makes 95% of its high-cost personal loans through "rent-a-bank" schemes, which are designed to export high-interest rates from states without usury laws. OppFi routinely makes loans that are designed to fail. In fact, in 2020, **OppFi charged off more than 60% of its loans**, evidencing a business model predicated on extracting wealth from low-income people and communities.

Not content only to "rent" a state bank charter to circumvent state usury laws, OppFi now seeks permission to acquire a national bank. Granting OppFi a national bank charter would **enable OppFi to claim the right to ignore longstanding state usury and consumer protection laws**, unleashing predatory lending in states where it has never been legal. Put plainly, approval of OppFi's bank acquisition would devastate low-income people and communities of color across the country. OppFi's application cloaks its true intent in euphemistic terms, saying it intends to "have a greater geographical footprint to expand credit access;" in reality, that means exploiting a national bank charter to spread high-cost loans nationwide.

The experiences of borrowers in North Carolina demonstrate that concrete harms would accompany OppFi's expanded national reach. As one North Carolinian reported to the Consumer Financial Protection Bureau:

> "I am a resident of North Carolina, which caps consumer loan interest at 36% and prohibits high-cost payday-style loans. OppLoansXXXX XXXX XXXX issued me a loan with an APR of 160.18%, which is unlawful for North Carolina residents. My contract lists my NC address (XXXX XXXX XXXX, XXXX, NC XXXX). I have already paid {$1500.00}, fully repaying the principal. OppLoans continues attempting to collect unlawful interest through automatic ACH withdrawals."

Such accounts show that OppFi's promised expansion would not increase access to safe and affordable credit but instead expose more borrowers to unaffordable debt and financial instability.

At a time when people are struggling under the weight of a historic affordability crisis, approving a national bank specializing in predatory loans with triple-digit interest rates will only drive people into further financial distress. Strong interest rate caps remain the most effective bulwark against exploitative lending, and research consistently shows that access to safe and affordable credit ***increases*** where high-interest rate loans are banned. To ensure stability and public confidence in our financial system, the Board must hold a public hearing to fully consider the interests of the public, including North Carolina borrowers, and ultimately deny OppFi's charter application.

Sincerely,

Jason Pikler
Senior Attorney and Director of Housing, Consumer & Energy Project
NORTH CAROLINA JUSTICE CENTER
P.O. Box 28068, Raleigh, N.C. 27611
jason.pikler@ncjustice.org

From:	Robert Rutkowski
To:	CRACommentCollector@fdic.gov; LicensingPublicComments@occ.treas.gov; CHI SR Comments Applications
Subject:	[External] Application of Opportunity Financial ("OppFi") to FDIC (#20260654), OCC (#27220) and FRB acquire BNC National Bank, to create and merge with OppFi Bank, and to become a bank holding company, 91 Fed. Reg. 42961 (July 13, 2026)
Date:	Tuesday, August 04, 2026 1:14:51 PM

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John (J.J.) Hansen
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Christopher Koopmans, Senior Vice President
Federal Reserve Bank of Chicago
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Re: Application of Opportunity Financial ("OppFi") to FDIC (#20260654), OCC (#27220) and FRB acquire BNC National Bank, to create and merge with OppFi Bank, and to become a bank holding company, 91 Fed. Reg. 42961 (July 13, 2026)

Dear Sirs and Madams,

A broad coalition filed comments urging regulators to deny the application of the predatory lender Opportunity Financial ("OppFi") to acquire a national bank. If the deal is approved, OppFi could offer loans up to 195% APR, and payday loan apps carrying even higher interest rates, in every state.

The coalition, which includes 123 consumer, civil rights, legal services, and community organizations and academics, urged the Federal Deposit Insurance Corp. (FDIC), Office of the Comptroller of the Currency (OCC), and Board of Governors of the Federal Reserve System (Fed) to hold public hearings on the application, insist on more information from OppFi on the impact of its unaffordable loans on struggling families, and – considering OppFI's atrocious lending record – deny the application.

The Center for Responsible Lending (CRL) also filed a separate comment letter to the FDIC that provides a more in-depth argument on how the application "significantly fails to meet statutory factors under the Bank Merger Act." Earlier this year, CRL released a report, "Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt."

Allowing OppFi to acquire BNC Bank would be an unprecedented use of a national bank charter to create a business model built on outrageously usurious and destructive loans that have no place in the national bank system. The letter points out:

OppFi's rates typically reach 160% and as high as 195%. Loans at those rates are debt traps, not responsible credit.

OppFi's interest rates are illegal in up to 45 states, depending on the size of the loan.

OppFi's charge-offs are over 55%, proof of its irresponsible lending. This rate of charge-offs (a measure of amount defaulted on) has never been tolerated at national banks.

OppFi's frequent refinancing promotes long-term debt and disguises defaults. As much as 75% of OppFi's pre-tax income comes from refinancing, and about half of OppFi customers refinance, sometimes multiple times and within two or three months of taking out the loans. Between defaults and refinances, very few OppFi borrowers repay their loans in full on the loan's original terms.

There is an enormous gap between the destructive, usurious rates that OppFi charges and the top rates allowed by nearly every state. OppFi's lending program is risky, unsafe and unsound.

Approval of OppFi's application would deeply injure and threaten the national bank charter: The charter would become a vehicle for predatory lending outlawed in nearly every state. National banks as a whole could also face a backlash that amplifies calls to pass legislation to end the preemption powers of national banks.

This letter follows similar opposition to a pending request from Enova (owner of CashNetUSA, NetCredit and OnDeck), which issues loans around 100% APR, to become a national bank.

Though Enova and OppFi try to evade some state interest rate laws, they are currently required by law to comply with them. But if they become national banks, Enova and OppFi could, under current law, evade state interest laws.

Comment letter:
https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-coalition-comment-bnc-oppfi-jul2026.pdf

Yours sincerely.
Robert E. Rutkowski

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The Bell Policy Center

303 E. 17th Ave., Suite 400, Denver, CO 80203 • 303-297-0456 • www.bellpolicy.org

Submitted via Email to: comments.applications@chi.frb.org

August 5, 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: Opportunity Financial (OppFi) merger application

Chair Warsh,

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 OppFi's application to, effectively, become a national bank through its merger with BNC National 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 and winning by a plurality in all but two counties. 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 this application is approved, OppFi will have an unfettered ability to offer the high-cost loans Coloradans have said we do not want in our state. Currently, Opp-Fi offers installment loans at 160 percent APR, and sometimes as high as 195 percent. This is far higher than the APRs allowed in Colorado on similar installment loans (a flat 21 percent or a tiered 36 percent on the first $1,000, 21 percent on the next $200, and 15 percent on additional amounts over $3,000).

Colorado has enacted strong consumer protections on high-cost loans because our state recognizes that these products create debt traps that leave consumers worse off. As our work, and the work of others like the Center for Responsible Lending, have shown, high-cost credit offered through companies like OppFi increase Coloradans' financial insecurity and make economic mobility harder to achieve.

Ultimately, we respectfully request that OppFi's merger application be denied. Additionally, we urge the Board of Governors to hold a public meeting in order to fully hear and understand perspectives from the broader community.

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

LOCKTON

August 3, 2026

Board of Governors of the Federal Reserve System
Application No. FRB-115953

Office of the Comptroller of the Currency
Application No. 2026-Combination-346751

Federal Deposit Insurance Corporation
Application No. 20260654

Re: OppFi Inc.'s Acquisition of BNCCORP, Inc.

To Whom It May Concern:

I am writing on behalf of Lockton Companies in support of OppFi Inc.'s proposed acquisition of BNCCORP, Inc.

Lockton has had the privilege of working with OppFi for several years as a trusted advisor and partner. During that time, we have had the opportunity to work closely with the organization's leadership team and support a variety of employee benefits and risk management initiatives.

Throughout our relationship, OppFi has consistently conducted itself with professionalism, transparency, and integrity. The company's leadership team approaches decisions thoughtfully, values open communication, and demonstrates a genuine commitment to doing what is right for its employees and stakeholders.

One characteristic that has stood out in our interactions is OppFi's commitment to its people. Whether discussing employee benefits, wellness initiatives, or broader workforce strategies, the organization has consistently demonstrated a desire to invest in its employees and provide meaningful support to its workforce. In our experience, decisions affecting employees are approached with care, consideration, and a long-term perspective.

We have also observed a disciplined and responsible approach to business management. OppFi's leadership has consistently engaged in thoughtful planning, demonstrated financial prudence, and approached important decisions with a focus on long-term sustainability. As advisors, we have found the team to be collaborative, responsive, and committed to evaluating options carefully before taking action.

Perhaps most importantly, our interactions with OppFi have reflected a culture of accountability and partnership. The leadership team has earned our respect through its professionalism and integrity, and we have found them to be an organization that follows through on commitments and values trusted relationships.

While Lockton is not commenting on the specific regulatory, financial, or operational aspects of the proposed transaction, we are pleased to share our positive experience working with OppFi and its leadership team. Based on our longstanding relationship, we believe OppFi has demonstrated the character, professionalism, and commitment that have made it a valued client and partner.

Thank you for your consideration of our perspective.

Sincerely,

Joe Spallina
Senior Vice President
Lockton Companies

August 5, 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 OppFi's Merger Application

Dear Chair Powell:

The Creating Assets, Savings and Hope ("CASH") Campaign of Maryland ("CASHMD") strongly opposes the merger application of OppFi, Inc. ("OppFi") and BNCCORP, Inc. and urges the Board of Governors ("the Board") to hold a public hearing to fully examine the harms the proposed transaction would pose to communities, including Maryland borrowers, and ultimately deny the application.

Maryland is one of 21 states, along with the District of Columbia, where high-cost lending is banned through vigorous enforcement of our state's usury law, which caps interest rates at 30%. **With over 125 million people living in states that ban high-cost lending**, we know firsthand that our communities are better off without exploitative lenders charging exorbitant interest rates.

Predatory debt traps, like the triple-digit APR loans peddled by OppFi, push people struggling to make ends meet further into debt and leave them worse off. OppFi is a notorious nonbank, fintech installment lender with a history of evading state usury caps. It makes 95% of its high-cost personal loans through "rent-a-bank" schemes, which are designed to export high-interest rates from states without usury laws. OppFi routinely makes loans that are designed to fail. In fact, in 2020, **OppFi charged off more than 60% of its loans**, evidencing a business model predicated on extracting wealth from low-income people and communities.

Not content only to "rent" a state bank charter to circumvent state usury laws, OppFi now seeks permission to acquire a national bank. Granting OppFi a national bank charter would **enable OppFi to claim the right to ignore longstanding state usury and consumer protection laws**, unleashing predatory lending in states where it has never been legal. Put plainly, approval of OppFi's bank acquisition would devastate low-income people and communities of color across the country. OppFi's application cloaks its true intent in euphemistic terms, saying it intends to “have a greater geographical footprint to expand credit access;” in reality, that means exploiting a national bank charter to spread high-cost loans nationwide.

The experiences of borrowers in Maryland demonstrate that concrete harms would accompany OppFi’s expanded national reach. As one Maryland consumer reported to the Consumer Financial Protection Bureau:

“I have been paying this loan for more than a year and the principal has not changed. I borrowed {$2000.00} and have paid {$4600.00} into this loan to date. When I called about this, the company said I could increase my payments if I wanted to pay it off faster. The company keeps changing the amount deducted, reducing it so that no principal [*sic*] is paid, just interest, fees.”

Such accounts show that OppFi’s promised expansion would not increase access to safe and affordable credit but instead expose more borrowers to unaffordable debt and financial instability.

At a time when people are struggling under the weight of a historic affordability crisis, approving a national bank specializing in predatory loans with triple-digit interest rates will only drive people into further financial distress. Strong interest rate caps remain the most effective bulwark against exploitative lending, and research consistently shows that access to safe and affordable credit ***increases*** where high-interest rate loans are banned. To ensure stability and public confidence in our financial system, the Board must hold a public hearing to fully consider the interests of the public, including Maryland borrowers, and ultimately deny OppFi’s charter application.

Sincerely,
Robin McKinney, MSW
Co-Founder and CEO
CASH Campaign of Maryland
575 S. Charles Street, Suite 500
Baltimore MD 21201

August 5, 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 OppFi's Merger Application

Dear Chair Powell,

New Economy Project, Genesee Co-op Federal Credit Union ("Genesee Co-op"), and the Lower East Side People's Federal Credit Union ("LESPFCU") strongly oppose the merger application of OppFi, Inc. ("OppFi") and BNCCORP, Inc. and urges the Board of Governors ("the Board") to hold a public hearing to fully examine the harms the proposed transaction would pose to communities, including New York borrowers, and ultimately deny the application.

New York is one of 21 states, along with the District of Columbia, where high-cost lending is banned through vigorous enforcement of our state's usury law, which caps interest rates at 25%. **With over 125 million people living in states that ban high-cost lending**, we know firsthand that our communities are better off without exploitative lenders charging exorbitant interest rates.

Predatory debt traps, like the triple-digit APR loans peddled by OppFi, push people struggling to make ends meet further into debt and leave them worse off. OppFi is a notorious nonbank, fintech installment lender with a history of evading state usury caps. It makes 95% of its high-cost personal loans through "rent-a-bank" schemes, which are designed to export high-interest rates from states without usury laws. OppFi routinely makes loans that are designed to fail. In fact, in 2020, **OppFi charged off more than 60% of its loans**, evidencing a business model predicated on extracting wealth from low-income people and communities.

Not content only to "rent" a state bank charter to circumvent state usury laws, OppFi now seeks permission to acquire a national bank. Granting OppFi a national bank charter would **enable OppFi to claim the right to ignore longstanding state usury and consumer protection laws**, unleashing predatory lending in states where it has never been legal. Put plainly, approval of OppFi's bank acquisition would devastate low-income people and communities of color across the country. OppFi's application cloaks its true intent in euphemistic terms, saying it intends to "have a greater geographical footprint to expand credit access;" in reality, that means exploiting a national bank charter to spread high-cost loans nationwide.

The experiences of borrowers in New York demonstrate that concrete harms would accompany OppFi's expanded national reach. As one New Yorker reported to the Consumer Financial Protection Bureau:

> "The company OppLoans by OppFi is engaged in predatory lending aiming to take advantage of people who are desperate for money because they are financially limited in their capability. [T]hey want a near 200% return on their loan within a 10 month period...which is absolutely abhorrent. This company should be shut down and not allowed to issue [*sic*] loans to anyone."

Such accounts show that OppFi's promised expansion would not increase access to safe and affordable credit but instead expose more borrowers to unaffordable debt and financial instability.

At a time when people are struggling under the weight of a historic affordability crisis, approving a national bank specializing in predatory loans with triple-digit interest rates will only drive people into further financial distress. Strong interest rate caps remain the most effective bulwark against exploitative lending, and research consistently shows that access to safe and affordable credit ***increases*** where high-interest rate loans are banned. To ensure stability and public confidence in our financial system, the Board must hold a public hearing to fully consider the interests of the public, including New Yorkers, and ultimately deny OppFi's charter application.

Sincerely,
Andy Morrison
Associate Director
New Economy Project
121 W 27th St #804
New York, NY 10001

On behalf of these undersigned organizations:
Genesee Co-op Federal Credit Union
Lower East Side People's Federal Credit Union

Center for Economic Integrity

509 E. Radburn St.

Tucson, AZ 85704

July 28, 2026

CRACommentCollector@fdic.gov
Federal Deposit Insurance Corporation

1100 Walnut Street, Suite 2100

Kansas City, MO 64106

LicensingPublicComments@occ.treas.gov
John (J.J.) Hansen
Director for Licensing
Community Bank West Region
Office of the Comptroller of the Currency
400 7th St. SW
Washington, D.C. 20219

Comments.applications@chi.frb.org
Christopher Koopmans, Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690-1414

Re: Application of Opportunity Financial ("OppFi") to FDIC (#20260654), OCC and FRB acquire BNC National Bank, to create and merge with OppFi Bank, and to become a bank holding company, 91 Fed. Reg. 42961 (July 13, 2026)

Dear Sirs and Madams:

The Center for Economic Integrity joined consumer groups around the country in comments to the Federal Deposit Insurance Corporation (FDIC), Office of Comptroller of the Currency (OCC), and the Board of Governors of the Federal Reserve System (FRB) on the application of Opportunity Financial (OppFi) to become a bank. OppFi seeks to acquire

Arizona-based BNC Bank to create OppFi National Bank, to merge BNC and OppFi banks, and to become a bank holding company.

This letter is to share additional information from our experience combating high-cost lending in Arizona. **We urge you to deny the application after holding a public hearing, including consideration by the full Board of Governors of the Federal Reserve.**

Fight to Curb Predatory Lending in Arizona to Protect Vulnerable Consumers

The Center for Economic Integrity (CEI) is a consumer advocacy organization that works to curb predatory lending and harmful credit products targeted at vulnerable borrowers. Founded in 2001, CEI works to build economically strong communities for all and opposes unfair corporate and government practices. The extreme economic divide in our country must be addressed by sensible, fair, economic and fiscal policies.

CEI led the broad bi-partisan coalition that defeated the payday loan industry's ballot initiative in 2008 that would have enshrined triple-digit rate payday lending in Arizona's constitution. CEI monitors and reports on the car title loan market and advocates for repeal of the title lending exception from Arizona's usury law. We also advocate for preservation, strengthening and enforcement of the protections in the Consumer Lender law and oppose efforts to exempt harmful credit products, such as Earned Wage Access (EWA) from the law. We monitor "Rent-a-Bank" online lending and urge enforcement of Arizona's Consumer Lender law with out-of-state online lenders. See the Arizonans for Responsible Lending website for information on our work. https://nmoreloansharksaz.org

OppFi Wants to Buy an Arizona Community Bank

BNC National bank is headquartered in Arizona with one location in Glendale and ten branches in North Dakota. It appears to be a mainstream community bank that serves consumers and business customers. BNC currently offers a Home Equity Line of Credit with a 5.49%APR six month promotional rate[1] and the highest rate quoted by phone for a personal unsecured installment loan up to $5,000 is 19% interest plus a $95 doc fee. BNC staff say that the bank conducts an ability to repay analysis and runs a credit check on

[1] BNC National Bank, BNC National Bank | Banking Services for personal & business needs

each loan applicant. Acquisition by OppFi will move this bank to Utah and use its charter as a predatory lender based on OppFi's current operations as a "rent-a-bank" lender.

Rent-A-Bank Lenders Evade Arizona's Consumer Lender Law

Despite voter support for Arizona's Consumer Lender rate cap, a few online lenders including OppFi use FDIC-supervised banks located in Utah and Kentucky to make installment loans here without complying with Arizona's Consumer Lender law. Per CEI's roster of rent-a-bank lenders, Opportunity Financial, based in Chicago, offers consumer installment loans via three banks in Utah, FinWise Bank, Quill Banks (formerly Capitol Community Bank), and First Electronic Bank. As of January 2026, OppFi loans of $500 to $5,000 had terms of 9 to 18 months and cost **160 percent APR**.[2] OppFi holds an Arizona Collection Agency license (CA-0945745) but not the Consumer Lender license required for companies that extend or market Consumer Lender loans in Arizona.

Arizona is one of the 45 states that cap rates for installment loans. The triple-digit rates OppFi charges far exceed Arizona's usury law which caps rates at 36 percent for loan amounts up to $3,000 and 24% on the amount of installment loans over $3,000 up to $10,000 plus a five percent administrative fee up to $150. Arizona's Consumer Lender law applies to lenders and marketers of unsecured and secured cash installment loans and lines of credit up to $10,000.[3] These limits are being evaded by OppFi through misuse of Utah banks.

OppFi's current installment loans lead to the same borrower harm found for payday lending.[4] A study by the Center for Responsible Lending documented that OppFi loans are a debt trap for borrowers. OppFi charges up to 195% on loans of $500 to $5,000. CRL documents that frequent refinancing is OppFi's business model and OppFi expects that a third of borrowers will default. [5]

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[2] CEI, "Stop Rent-A-Bank Lenders Operating in Arizona," January 2026, at 2026 AZ Factsheet Rent-A-Bank lenders.pdf

[3] CEI, "Arizona Consumer Lenders," February 2026 at 2026 AZ Factsheet Consumer Lenders NEW-B

[4] Patrick Crotty and Lauren Saunders, National Consumer Law Center, "Picking Workers' Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders," January 2026 at 2026.01_Report_EWA.pdf

[5] Whitney Barkley-Denney, Center for Responsible Lending, "Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt," January 2026 at crl-lost-opportunities-jan2026.pdf

No bank making predatory installment loans should receive the privilege of a national bank charter. But OppFi's business plans are even worse than its current offerings.

OppFi Wants A Bank Charter to Become a 50-State Payday Lender

OppFi has announced plans to offer app-based payday loans (termed Early or Earned Wage Access or Advance -EWA).[6] With a national bank charter, OppFi will be able to make triple-digit rate payday loans in all fifty states, despite state laws and ballot initiatives enacted to curb this predatory form of lending.   By a wide bipartisan majority, Americans think fintech products including EWA should comply with rules that apply to other lenders.[7]

Arizona Rejected Payday Lending

Arizona is one of the 21 states plus the District of Columbia that prohibits payday loans or cap annual interest rates on payday loans at 36 percent or less. Additional states, such as Minnesota and New Mexico, cap payday loans at double-digit rates far lower than the typical EWA loan. These protections were won by ballot initiatives, bills closing loopholes exploited by payday lenders, repeal of laws permitting triple-digit rates for payday loans, and by states enforcing existing usury laws.

The Arizona "deferred presentment" law enacted in 2000 authorized single-payment loans secured by the borrower's check held for future deposit at a cost of over 450 percent for a two-week loan. While payday lending was legal in Arizona, lenders had no incentive to "rent" a bank charter to charge triple-digit rates. However, Arizona's law included a sunset provision that the legislature refused to repeal, so the industry turned to a ballot imitative to stay in business. Arizona voters voted 60 to 40 percent against the payday lenders' Prop 200 in 2008. As a result, Arizona's ten-year experiment with payday lending sunset June 30,2010. The Arizona Department of Financial Institutions (now Department of Insurance and Financial Institutions) issued an advisory that former payday lenders, including out-of-

[6] OppFi Investor Presentation, June 2026, at oppfi-investor-presentation-June-2026-FINAL.pdf
Slide 8, plans to expand offerings to Earned Wage Access products.
[7] Lake Research Partners, Polling Memo, June 25, 2026, at poll-lake-research-ewa-jun2026.pdf

state online lenders, are required to obtain a license as a Consumer Lender and to comply with Arizona's usury law.[8]

Preserve State Usury Laws and Consumer Protections

The Republican-led Arizona legislature has refused to reauthorize the usury carve out for payday loans and has not authorized any new forms of high-cost credit since payday and car title loans were authorized in 2000.[9] Bills to raise rates and fees on Consumer Lender loans have failed. The Arizona legislature has repeatedly rejected bills to authorize EWAs outside Consumer Lender law protections.

All this progress will be nullified if predatory payday and installment lenders are permitted to acquire a national bank charter to export usury to all 50 states. The new business model will become "buy-a-bank" federalized usury.

Federal Bank Regulators Stopped Rent-a-Bank Lending Twenty Years Ago

We were fighting predatory lending in the early 2000's when the first wave of rent-a-bank lending flourished. Each of your agencies took steps to stop the banks you supervised from aiding payday lenders, through informal action, denial of bank holding company charters, guidelines that made these loans unattractive to lenders.

Federal Bank Regulator Guidelines Curbed Bank Involvement in Payday Lending

Guidance: Office **of Comptroller of the Currency** (OCC) and **Office of Thrift Supervision** (OTS) issued advisories to banks and thrifts in 2000. The OCC Advisory Letter stated that the OCC "is issuing this advisory letter to ensure that any national bank that engages in payday lending does so in a safe and sound manner and does not engage in abusive practices that would increase the compliance, legal, and reputation risks associated with payday lending and could harm the bank's customers." After describing the various forms

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[8] Arizona Department of Insurance and Financial Institutions, CL/CO-16-1 Regulator and Consumer Alert, "Re: Unlicensed Consumer Lending Transactions," June 9, 2016 at FE-AD-PO-Regulatory_and_Consumer_Alert_CL_CO__06 09-16-2016.pdf

[9] CEI Brief, "Arizona Lawmakers Said No To Usury Since Prop 200 Vote In 2008," January 2026 at 2026 AZ Factsheet No on Usury since 2008

of bank/lender arrangements being used, the OCC stated, "Payday lenders entering into such arrangements with national banks should not assume that the benefits of a bank charter, particularly with respect to the application of state and local law, would be available to them."[10]

The **Office of Thrift Supervision** issued a Memorandum for Chief Executive Officers regarding Title Lending[11] and Payday Lending[12] on November 27, 2000. The OTS explained that vehicle title loan companies were approaching depository institutions urging them to enter into a contractual arrangement to fund title loans, causing the OTS to have a variety of safety and soundness, compliance, and consumer protection concerns regarding title lending programs and warned of close supervision and enforcement actions where appropriate. The OTS stated: "Associations should not 'lease' their charter out to nonthrift entities through an agreement that allows the nonthrift entity to circumvent state and local law. Some third-party providers may target associations to act as delivery vehicles for certain products and services to circumvent state laws that would otherwise apply to their activities.

Federal Deposit Insurance Corporation (FDIC) Guidance: The FDIC supervised by far the largest number of banks that partnered with payday lenders but was the last federal regulator to issue guidance for bank/lender arrangements, issuing rules in two phases. The first set of guidelines for state-chartered banks, issued in July 2003, imposed regulatory requirements on banks that partnered with payday lenders but did not prohibit these bank-third party arrangements. The FDIC issued revised guidelines in March 2005 that set a limit on the number of loans banks could make to three months of payday loan debt in a twelve-month period or six typically two-week loans in a year. Banks were expected to offer appropriate installment loans to borrowers caught in a payday loan debt trap. The FDIC told banks that they were responsible for their payday lender partners' activities and compliance with the law. In a short period of time, the additional FDIC limits and

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[10] Office of Comptroller of the Currency, "OCC Advisory Letter: Payday Lending," AL 2000-10 at https://www.occ.gov/static/news-issuances/memos-advisory-letters/2000/advisory-letter-2000-10.pdf

[11] Office of Thrift Supervision, Memorandum for Chief Executive Officers from Richard M. Riccobono, "Title Loan Programs," November 27, 2000, at https://www.occ.gov/static/news-issuances/ots/ceo-memos/ots-ceo-memo-131.pdf

[12] Office of Thrift Supervision, memorandum for Chief Executive Officers from Richard M. Riccobono, "Payday Lending," November 27, 2000.

requirements stopped banks from "renting" their charters to lenders.[13] Within a few months in 2006, no FDIC-supervised state banks were partnering with payday lenders.

Federal Reserve Board (FRB): The Federal Reserve did not issue guidance to state-chartered member banks. Fed Chairman Alan Greenspan in a letter to Rep. Melvin Watt, January 2, 2001, stated that payday lending guidance was not necessary "(g)iven the very limited number of instances of payday lending that we have seen in the institutions we supervise about this type of lending." He went on to say: "since state member banks could become more involved in payday lending and since activities such as 'charter renting' have potential to circumvent state law, the Board will continue to monitor these activities closely."[14]

Federal Bank Regulators' Supervision and Enforcement Actions

Consumer organizations complained that **First Bank of Delaware**, a Federal Reserve member state-chartered bank located in Wilmington, Delaware, made payday loans with several third-party lenders, including Dollar Financial Group which had been cited by the OCC for using a national bank in an unsafe and unsound manner. The Federal Reserve apparently responded with close scrutiny of the bank. First Bank of Delaware said in a Securities and Exchange Commission filing that it ended its affiliation with a payday lender due to "materially increased regulatory requirements" while a state-chartered member bank.[15]

The OCC entered a consent order with **Eagle National Bank** in Upper Darby, PA which partnered with Dollar Financial Group to cease all payday loan origination, loan renewal, loan rollover and loan refinancing and reduce all outstanding payday loans and participations in payday loans to zero by June 15, 2002.[16]

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[13] Sheila Bair, "Low-Cost Payday Loans: Opportunities and Obstacles," Annie E. Casey Foundation, June 2005, p. 16.
[14] Letter from FRB Chairman Alan Greenspan to the Honorable Melvin L. Watt (January 2, 2001) cited in Sheila Bair report "Low-Cost Payday Loans: Opportunities and Obstacles," Annie E. Casey Foundation, June 2005, p. 14.
[15] Republic First Bancorp Inc., Form 8-K, Securities and Exchange Commission (June 27, 2003), cited in Sheila Bair report "Low-Cost Payday Loans; Opportunities and Obstacles," Annie E. Casey Foundation, June 2005, p. 14.
[16] Office of Comptroller of the Currency, Consent Order, Eagle National Bank, Upper Darby, PA, #2001-104, 12/18/01 at https://occ.gov/static/enforcement-actions/ea2001-104.pdf

The OCC issued a consent order in 2002 against **Goleta National Bank**, which partnered with ACE Cash Express, Inc. to make payday loans. The consent order noted that the Comptroller intended to charge the bank with violating the Equal Credit Opportunity Act and regulations; 12 C.F.R. Part 226, the safety and soundness guidelines in 12 C.F.R. Appendix A of Part 30 and with violations of the customer privacy protections in Gramm-Leach-Bliley Act, among other charges.[17]

The OCC entered into a consent order with **Peoples National Bank** in Paris, Texas in 2003, regarding lending via Advance America and National Cash Advance Centers, Inc. in North Carolina and Pennsylvania. The OCC was prepared to charge the bank with violating the Truth in Lending Act, the Equal Credit Opportunity Act, and unsafe or unsound management of the vendor that provided services related to payday loans. The bank was ordered to cease all actions related to the origination, renewal or rollover of payday loans, to pay a civil money penalty of $175,000, and to correct violations of law.[18]

The OCC entered a consent order with **First National Bank in Brookings**, involving payday lending with Cash America International and First American Holdings as well as credit card operations, citing violations of Truth in Lending Act and the safety and soundness guidelines at 12 C.F.R. Part 30, Appendix A. The bank was required to terminate its payday loans in any state or the District of Columbia within 90 days of the order.[19]

The FDIC's Notice of Charges filed against **First Bank of Delaware** listed violations including the Electronic Fund Transfer Act in connection with a Check 'n Go loan that required payment via electronic funds transfer. The FDIC also found that the bank was engaged in unsafe and unsound banking practices "in that the Bank has been operating its NCP Division without effective oversight by the Bank's board of directors (Board) and without adequate supervision by the Bank's senior management of the NCP Division's third-party lending programs and third-party providers it utilizes." The FDIC filed a cease

[17] Office of Comptroller of the Currency, Consent Order, Goleta National Bank, Goleta, CA, EA #2002-93, 10/28/02 at https://occ.gov/static/enforcement-actions/ea2002-93.pdf
[18] Office of Comptroller of the Currency, Consent Order, Peoples National Bank, Paris, Texas, #2003-2, 1/30/03 at https://occ.gov/static/enforcement-actions/ea2003-2.pdf
[19] Office of Comptroller of the Currency, Consent Order, First National Bank in Brookings, #2003-1, 1/17/03, at https://occ.gov/static/enforcement-actions/ea2003-1.pdf

and desist order in which First Bank of Delaware agreed in 2008 to terminate its third-party lending programs and relationships with third-party providers including Avante Teladvance, Inc. d/b/a Check 'n Go Online; CashCall, Inc.; and TC Loan Service, LLC d/b/a ThinkCash. [20]

The FDIC issued an order to cease and desist against **County Bank of Rehoboth, Delaware** due to unsafe or unsound banking practices in its "Short Term Loan Program", engaging in hazardous lending practices that included allowing individuals other than the named borrower to execute loan documents, allowing Merchants to circumvent paydown requirements, and allowing Merchants to circumvent cooling off periods, among other charges.[21]

As a result of extensive supervision, enforcement and guidance, federal bank regulators stopped banks from "renting" their charters to payday lenders who sought to evade state usury laws and consumer protections. This effort was nonpartisan, focused and ultimately successful twenty years ago.

Authorizing Buy-A-Bank Predatory Lending Will Harm Banks and Regulators

The guidance and enforcement actions detailed above reflect the long effort across many administrations to keep payday lending and other types of predatory lending out of the banking system. Granting OppFi's application would reverse that hard fought progress and make the national bank charter a means of predatory lending. OppFi's stated aim of entering the "earned wage access" business – a form of payday lending[22] – increases this concern.

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[20] FDIC, In the Matter of First Bank of Delaware, Notice of Charges for an Order to Cease and Desist, Order for Restitution, and Order to Pay, FDIC-07-256b, FDIC-07-257k, June 10, 2008. FDIC Seeks in Excess of $200 Million Against Credit Card Company and Two Banks for Deceptive Credit Card Marketing See also, Notice of Charges, FDIC-07-256b and FDIC-07-257k, June 15, 2008, Exhibit A, 07-265b, 07-257k Notice.pdf.

[21] FDIC, Order to Cease and Desist, County Bank, Rehoboth, Delaware, FDIC-04-274b, March 11, 2005. See, also, "First Bank of Delaware to Exit Payday Loan Program," September 12, 2006, at First Bank of Delaware to Exit Payday Loan Program - insideARM

[22] See National Consumer Law Center, "Courts Reject Claims that Payday Loan Apps Don't Offer Loans," (to be updated July 2026) (15 out of 15 courts reject claims that earned wage access products are not loans) at Courts Reject Claims that Payday Loan Apps Don't Offer Loans - NCLC

While all high-cost lenders do not have the resources to apply for a bank charter, OppFi and Enova are not the only requests you will face. As long as one state fails to protect borrowers, buying a national bank to evade state consumer protections and usury laws will become the preferred business model for this industry. “Buy-a-Bank” success will lead to a campaign to revoke national banks’ exportation and preemption rights, louder calls for a national usury cap that mirrors the Military Lending Act, and serious damage to responsible banks.

We respectfully urge you to deny OppFi’s petition.

Sincerely,

Kelly Griffith

Executive director

Jean Ann Fox

Advisor

EXODUS
LENDING

August 5, 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 OppFi's Merger Application

Dear Chair Powell:

Exodus Lending strongly opposes the merger application of OppFi, Inc. ("OppFi") and BNCCORP, Inc. and urges the Board of Governors ("the Board") to hold a public hearing to fully examine the harms the proposed transaction would pose to communities, including Minnesota borrowers, and ultimately deny the application.

As a nonprofit lender dedicated to refinancing (at 0% APR) high-cost debt (defined as a 36% APR or higher) for over a decade, our team has seen firsthand the detrimental impact of predatory lending in communities across the state.

Minnesota is one of 21 states, along with the District of Columbia, where high-cost lending is banned through vigorous enforcement of our state's usury law, which caps interest rates at 36%. **With over 125 million people living in states that ban high-cost lending**, we know firsthand that our communities are better off without exploitative lenders charging exorbitant interest rates.

Predatory debt traps, like the triple-digit APR loans peddled by OppFi, push people struggling to make ends meet further into debt and leave them worse off. OppFi is a notorious nonbank, fintech installment lender with a history of evading state usury caps. It makes 95% of its high-cost personal loans through "rent-a-bank" schemes, which are designed to export high-interest rates from states without usury laws. OppFi routinely makes loans that are

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designed to fail. In fact, in 2020, **OppFi charged off more than 60% of its loans**, evidencing a business model predicated on extracting wealth from low-income people and communities.

Not content only to “rent” a state bank charter to circumvent state usury laws, OppFi now seeks permission to acquire a national bank. Granting OppFi a national bank charter would **enable OppFi to claim the right to ignore longstanding state usury and consumer protection laws**, unleashing predatory lending in states where it has never been legal. Put plainly, approval of OppFi’s bank acquisition would devastate low-income people and communities of color across the country. OppFi’s application cloaks its true intent in euphemistic terms, saying it intends to “have a greater geographical footprint to expand credit access;” in reality, that means exploiting a national bank charter to spread high-cost loans nationwide.

The experiences of borrowers in Minnesota demonstrate that concrete harms would accompany OppFi’s expanded national reach. Exodus Lending has refinanced 69 loans made to Minnesotans by OppFi and these loans carried an average APR of 160%.

Minnesotans who used these loan products describe their experience as resulting in “desperation” and describe being “caught in a cycle of loans.”

“I wish I never applied or used them.”

“This ended up making my financial situation even worse - I’m looking at being homeless.”

“It made absolutely everything worse. It sucked up hundreds of dollars a month in interest payments.”

“The high interest rates felt suffocating.”

Such accounts show that OppFi’s promised expansion would not increase access to safe and affordable credit but instead expose more borrowers to unaffordable debt and lead to greater financial instability.

At a time when people are struggling under the weight of a historic affordability crisis, approving a national bank specializing in predatory loans with triple-digit interest rates will only drive

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people into further financial distress. Strong interest rate caps remain the most effective bulwark against exploitative lending, and research consistently shows that access to safe and affordable credit ***increases*** where high-interest rate loans are banned. To ensure stability and public confidence in our financial system, the Board must hold a public hearing to fully consider the interests of the public, including Minnesota borrowers, and ultimately deny OppFi's charter application.

Sincerely,
Anne Leland
Executive Director
Exodus Lending

OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

KWAME RAOUL
ATTORNEY GENERAL

August 5, 2026

Submitted Via Email
Benjamin W. McDonough
Secretary of the Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

Re: Comment on Opportunity Financial's Application to Become a Bank Holding Company by Acquiring BNCCORP, Inc., 91 FR 42961 (July 10, 2026)

Dear Mr. McDonough:

We, the undersigned state attorneys general for Illinois, Arizona, California, Connecticut, District of Columbia, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, and Washington submit this comment urging the Board of Governors of the Federal Reserve System (Board) to deny Opportunity Financial (OppFi)'s application to become a bank holding company by acquiring BNCCORP, Inc. Approving this application would result in enabling OppFi to circumvent longstanding, bipartisan state usury laws by becoming a bank holding company. Considering OppFi's lending practices, this possibility is alarming. As state attorneys general, we have a long history of protecting consumers from loans that carry high interest rates—from traditional payday lenders to emerging non-bank financial technology companies. We, as state enforcers, can and must protect against high-interest loans for the safety of consumers and the soundness of our banking system. The majority of states have spoken—we do not want high-interest installment loans like the ones OppFi offers harming our consumers. We implore that the Board listen and deny OppFi's attempt to expand high-interest loans throughout the country.

I. OppFi has a deep history of engaging in harmful, high-interest lending.

OppFi's business centers entirely around a single service—providing high-interest loans to vulnerable consumers who may be struggling financially or have low credit scores. OppFi currently offers online installment loans from $500 to $5,000 with interest rates reaching nearly

200% APR.[1] For an already struggling consumer, this means they might borrow $4,000 from OppFi at 160% APR, which would ultimately cost them at least $10,712.52 when paid back over an 18-month period.[2]

Consumers feel the impact of OppFi's triple-digit interest rates beyond their wallets. OppFi's high-interest loans frequently cause borrowers to default. The company itself reports that, in 2024, its default rate was 27.5% of its outstanding principal and OppFi charged off 51.4% of average receivables.[3] Defaulting on loans can lead to dramatically lower credit scores, negatively impacting a consumer's financial health. Consumers complain that these effects are exacerbated by OppFi's practices of unlawfully assigning debts to unlicensed debt collectors and inaccurately reporting loan activity to credit bureaus. Many consumers avoid default by refinancing, but serial refinancings lead consumers into long cycles of very high-cost borrowing—another aspect of OppFi's business model. The Attorney General for the District of Columbia alleged in a 2021 Complaint that approximately half of OppFi borrowers refinance, with the average customer needing to refinance more than two times.[4] Despite all evidence to the contrary, OppFi advertises its loans as affordable,[5] claiming its loans provide a "better financial future," and that its mission is to facilitate "more affordable credit" for Americans who are "rebuilding their financial health."[6] It highlights the "affordability" of its loans by comparing them to payday loans with 400% APRs.[7]

OppFi's harmful practices aren't isolated. Currently, OppFi lends to consumers in 39 states at interest rates that are illegal in up to 45 states and D.C. It attempts to circumvent state law by engaging in "rent-a-bank" schemes, whereby OppFi partners with three banks chartered in Utah—[8] a state that does not have a hard interest rate cap.[9] Through these partnerships, OppFi

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[1] OppLoans, FAQs, *available at:* https://www.opploans.com/faqs/ (last visited July 15, 2026) [hereinafter OppFi FAQs]; OppLoans, Rates and Terms, *available at:* https://www.opploans.com/rates-and-terms/illinois/ (last visited July 15, 2026) [hereinafter OppFi Rates and Terms].

[2] OppFi Rates and Terms, *supra* note 1.

[3] Center for Responsible Lending, *available at:* Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt (Jan. 27, 2026) [hereinafter Lost Opportunities] (citing OppFi, Q3 2024 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_events/2024/11/1/OppFi-Q3-2024-Earnings-Presentation_vF.pdf (Nov. 7, 2024), at 9 and 13). This is consistent with allegations made by the Attorney General of the District of Columbia, whose 2021 Complaint against OppFi stated that up to a third of its customers default. Complaint, *District of Columbia v. Opportunity Financial* (DC Super. Ct. Apr. 5, 2021) *available at*: https://oag.dc.gov/sites/default/files/2021-04/OppLoans-Complaint-final.pdf, at ¶ 33 [hereinafter DC Complaint].

[4] DC Complaint, *supra* note 3, at ¶ 38. The Complaint further alleged that OppFi makes 75% of its pre-tax income from borrowers refinancing.

[5] *See*, *e.g.*, *id.* § III(A) (discussing how OppFi advertises its loans as more affordable than payday loans and that they will help consumers build their credit histories).

[6] OppLoans, Personal Loans, *available at:* https://www.opploans.com/personal-loans/ (last visited July 15, 2026); OppFi, https://www.oppfi.com/ (last visited July 15, 2026).

[7] *Id.*

[8] OppFi FAQs, *supra* note 1.

[9] Utah Code § 70C-7-106; Utah Department of Financial Institutions, *available at:* https://dfi.utah.gov/general-information/consumer-tips/interest-rates/ (last visited July 15, 2026).

originates its loans in the name of Utah-chartered banks to attempt to take advantage of federal law, which allows for state-chartered banks to apply their home state's interest rate to borrowers nationwide.[10] However, these arrangements often draw legal scrutiny that high-cost lenders are motivated to avoid.[11] Now, OppFi seeks Board approval to become a bank holding company by acquiring BNCCORP, Inc. and permission from the Office of the Comptroller of the Currency (OCC) to acquire and merge with nationally chartered BNC National Bank to form OppFi Interim Bank, National Association, whose headquarters will also be in Utah.[12] In its own investor presentation materials from June 2026, OppFi acknowledged that its plan to acquire BNCCORP, Inc. is designed to lead to "expansion to all 50 states."[13] The goal here is clear—OppFi seeks to lower funding costs and take advantage of the National Bank Act's provision allowing nationally chartered banks to charge the maximum interest rate permitted in their home states.[14] In doing so, OppFi could maximize profits by offering usurious loans across all 50 states without the burden and legal challenges associated with "rent-a-bank" schemes.

II. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would impede state attorneys general from protecting consumers by extending federal preemption to OppFi and potentially to other high-interest lenders.

a. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would allow it to preempt vital state-level consumer protections.

In the absence of any comprehensive federal law capping annual interest rates on loans, states have overwhelmingly chosen to protect their consumers by enacting and fervently enforcing usury laws. However, OppFi has built its entire business on circumventing states' intentions to protect consumers from high-cost loans by using rent-a-bank schemes to export high interest rates from the few states that allow such practices to the many whose laws prohibit it.[15] In recent years, state attorneys general and other state enforcers have used a number of methods to combat this harmful practice.

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[10] 12 U.S.C. § 1831d.

[11] *See, e.g., Opportunity Financial, L.L.C. v. Hewlett*, No. 22STCV08163 (Cal. Super. Ct.); *Dist. of Columbia v. Elevate*, 554 F. Supp. 3d 125, 132 (D.D.C. 2021).

[12] Office of the Comptroller of the Currency, Corporate Applications Search, *available at:* https://apps.occ.gov/CAS/home/details?FilingTypeID=11&FilingID=346751&FilingSubtypeID=1042 (last visited July 16, 2026).

[13] OppFi, Investor Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_presentations/2026/06/16/oppfi-investor-presentation-June-2026-FINAL.pdf (June 2026), at 8–9, 11.

[14] 12 U.S.C. § 85.

[15] Currently, OppFi offers its loans to consumers in 39 states. Thirty-seven of these states have state laws that cap interest rates on consumer loans. *See*, OppFi Rates and Terms, *supra* note 1; National Consumer Law Center, *State Annual Percentage (APR) Caps for $500, $2,000, and $10,000 Installment Loans* (Dec. 2025), *available at:* https://www.nclc.org/wp-content/uploads/2022/08/202512_Fact-Sheet_APR-Caps-for-Installment-Loans.pdf.

First, states have turned to their enforcement authority to challenge non-bank lenders partnering with state-chartered banks to evade state interest caps. For example, as mentioned above, the Attorney General for the District of Columbia sued OppFi in 2021 alleging that the company had deceptively marketed its products and provided thousands of usurious loans to District consumers.[16] In the resulting settlement, OppFi agreed to stop providing loans to District consumers above the District's 24% usury cap, and OppFi paid almost $2 million in restitution and penalties and waived over $600,000 in past-due interest on District loans.[17]

OppFi itself recognizes the legal instability of exporting high-interest loans in direct contravention of state law. For example, OppFi noted in a filing to the United States Securities and Exchange Commission (SEC) that it risks "litigation, government enforcement or other challenge, for example, based on claims that bank lenders were not the 'true lender' and therefore, the usury, fee, and disclosure requirements of the borrower's state or residence rather than the home state of the bank partner should apply."[18] OppFi recognizes that its current method of partnering with state-charted banks to export usuriously high interest rates opens itself up to state enforcement actions that, if successful, may cause loans to be "unenforceable, subject to rescission, modification, or otherwise impaired" and may subject OppFi or other program participants to "fines, judgments, and penalties," all of which "would adversely affect [OppFi's] business."[19] For OppFi, gaining a national bank charter and becoming a bank holding company squashes these legal risks and prevents state usury-based enforcement actions that threaten OppFi's high-interest business model.

States are also increasingly pursuing their ability to prevent out-of-state, state-chartered banks from preempting their state interest rates limits, which poses further threat to OppFi's rent-a-bank model. The Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA) allows state-chartered banks to export the interest rates permitted in their home states when lending in other states.[20] But DIDMCA also importantly allows states to opt out of this preemptive scheme.[21] DIDMCA only applies to state-chartered banks, so the opt-out option would not be applicable if OppFi became a nationally chartered bank. OppFi noted the risk of DIDMCA opt-outs to its bottom line in an SEC filing, saying, "certain states have or are considering opting out of [DIDMCA]" and "if any loan made through OppFi's platform by a bank partner were deemed for any reason to be subject to the usury laws of a state or U.S. territory where a borrower is located rather than the bank partner's home state" there could be an

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[16] DC Complaint, *supra* note 3.

[17] Office of Attorney General for the District of Columbia, *AG Racine Announces Over $2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers*, Nov. 30, 2021, *available at:* https://oag.dc.gov/release/ag-racine-announces-over-2-million-settlement.

[18] OppFi Inc., *Form 10-K U.S. Securities and Exchange Commission*, pg. 43, Mar. 12, 2026, *available at:* https://www.sec.gov/Archives/edgar/data/1818502/000181850226000019/opfi-20251231.htm#i1f29095cb85b4608b42cd7f2db6fda1d_31 [hereinafter Form 10-K].

[19] *Id*.

[20] 12 U.S.C. § 1831d.

[21] 12 U.S.C. 1831d note. *See also*, 84 Fed. Reg. 66845 (Dec. 6, 2019) and 85 Fed. Reg. 44146 (July 22, 2020).

"adverse[] impact [on] OppFi's growth."[22] Once again, OppFi is aware what options states have to protect consumers against its high-interest loans and now wants to eliminate these options by becoming a national bank and bank holding company.

Other states have turned to their legislators to help fight high-interest lenders like OppFi. For example, some states enacted usury laws with strong anti-evasion provisions or amended preexisting laws to insert such language.[23] If the OCC were to grant a national bank charter to OppFi and the Board were to allow OppFi to become a bank holding company, these efforts would be all for naught. Federal preemption would override these legitimate state laws with no equal replacement because currently there are no federal laws capping interest rates for all consumers.

OppFi recognizes the legal instability of its core business model and now seeks a national bank charter and to become a bank holding company to access the resulting federal preemption to erode state autonomy and eliminate state attorneys general's options to challenge OppFi's usurious lending. If the OCC grants OppFi a national bank charter and the Board allows OppFi to become a bank holding company, all the above methods to protect consumers from OppFi's usurious loans, and more, would be stripped from states.

b. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would set a dangerous precedent and could allow other non-bank lenders to cloak themselves in federal preemption, thus limiting state attorneys general's enforcement capabilities.

In the early 2000s, the federal government, including the Board's fellow prudential regulators, began to crack down on national banks enabling non-bank lenders to make loans that clearly violated state law. For example, the OCC called this scheme an "abuse of the national bank charter,"[24] and the Federal Deposit Insurance Corporation issued guidance highlighting the risks that may occur when banks partner with high-interest payday lenders.[25] The federal government clearly recognized the trust, confidence, and privilege that came with a national bank charter.

The concerns expressed by the prudential regulators ring just as true now as they did 25 years ago with one major difference. Now, instead of attempting to partner with a national bank to circumvent state laws, high-interest lenders like OppFi want to become national banks and bank holding companies to circumvent state laws. Granting OppFi a national bank charter and approving OppFi's application to become a bank holding company would allow the fox into the hen house. The Board would be creating a dangerous precedent by conferring the privilege of becoming a bank holding company to a business whose main product charges consumers nearly 200% APR, carries high rates of default and debt entrapment, and brazenly violates state interest

[22] Form 10-K, *supra* note 18, at 16.

[23] *See, e.g.,* 815 ILCS 123/15-5-15; 2021 L.D. 522 (S.P. 205); 2023 S.F. No. 2744.

[24] Office of the Comptroller of the Currency, Bulletin No. 2001-47, *Third-Party Relationships: Risk Management Principles* (Nov. 1, 2001), *available at:* https://www.occ.gov/static/rescinded-bulletins/bulletin-2001-47.pdf.

[25] Federal Deposit Insurance Corporation, FIL-14-2005, *Guidelines for Payday Lending* (November 2015), *available at*: https://www.fdic.gov/news/inactive-financial-institution-letters/2005/fil1405a.html.

rate caps. By way of comparison, OppFi loans carry interest rates that are nearly 17 times higher than loans offered by commercial banks. For example, in May 2026 the average APR on a two-year loan from a commercial bank sat at 11.86%.[26] Granting a national bank charter to OppFi and allowing it to become a bank holding company could also further perpetuate this harmful lending by opening the door for non-bank lenders to seek OppFi's partnership to evade state laws in their own lending operations. Whether setting a new precedent for alarmingly high-interest lending at the national bank level, or enabling other usurious non-bank lenders, if the Board grants this application, the potential for more consumer harm by way of less state enforcement is assured.

III. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would erode the integrity of the banking system, introduce risk, and contravene requirements to meet the needs of local communities.

a. *OppFi's practices are not compatible with the purpose of federal bank charters and bank holding companies or the lending practices of national banks, thus degrading the integrity of national banks and raising safety and soundness concerns*.

In addition to the consumer harm and erosion of state protections discussed above, the Board should also deny OppFi's application because it would undermine the integrity of the national bank charter and adversely impact the entire banking system. Granting high-cost lenders like OppFi access to the Federal Reserve System and bank holding company status would amplify systemic risk by embedding these organizations' risky business models into the fabric of the financial system. The OCC has historically maintained lending standards that have kept national banks out of triple-digit APR lending.[27] It would be a departure from those standards if the OCC and the Board were to permit the creation of a 100%+ APR national bank and bank holding company. Approving OppFi's application would flood the marketplace with OppFi's risky loans, which would in turn exacerbate risk to the financial system and the economy.

As the central bank of the United States, the Federal Reserve has several responsibilities, which include "supervising and regulating banks and other important financial institutions to ensure the safety and soundness of the nation's banking and financial system and to protect the credit rights of consumers" and "maintaining the stability of the financial system and containing systemic risk that may arise in financial markets."[28] Authorizing OppFi to become a bank holding company to expand its predatory lending practices would directly contravene these responsibilities and the historic purpose for national banks and bank holding companies.

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[26] Board of Governors of the Federal Reserve System (US), *Finance Rate on Personal Loans at Commercial Banks, 24 Month Loan* [TERMCBPER24NS], retrieved from FRED, Federal Reserve Bank of St. Louis; *available at:* https://fred.stlouisfed.org/series/TERMCBPER24NS.

[27] *See. e.g.* OCC Bulletin 2013-40, "Guidance on Supervisory Concerns and Expectations Regarding Deposit Advance Products," *available at*: https://www.occ.gov/news-issuances/federal-register/2013/78fr70624.pdf; OCC Advisory Letter 2000-10, Payday Lending, *available at*: https://www.occ.gov/news-issuances/advisory-letters/advisory-letter-2000-10.pdf.

[28] *About the Fed*. Board of Governors of the Federal Reserve System, *available at:* https://www.federalreserve.gov/faqs/about_12594.htm.

OppFi's loans are risky, unsafe, and unsound. For example, appropriate underwriting for ability to repay is a core requirement for safe and responsible lending. In fact, the 2020 Interagency Lending Principles for Offering Responsible Small-Dollar Loans provide that, "[r]esponsible small-dollar loan programs generally reflect . . . [a] high percentage of customers successfully repaying . . . in accordance with original loan terms, which is a key indicator of affordability . . . and appropriate underwriting."[29] OppFi practices run afoul of these principles—it issues loans to borrowers without an adequate ability-to-repay analysis, and consequently, borrowers often default and refinance. The core of OppFi's business model is offering unaffordable loans, given that nearly a third of its customers default.[30] OppFi's 2025 charge-off rates were nearly 50%,[31] which further demonstrates that a high percentage of borrowers are unable to repay. Default and charge-off rates anywhere close to this level have never been tolerated in a national bank, and yet OppFi seeks approval to become a national bank and bank holding company for the express purpose of funding an exponentially greater number of high-cost loans in more places throughout the country.

The Interagency Lending Principles also define a responsible small-dollar loan as one with "Repayment terms, pricing, and safeguards that minimize adverse customer outcomes, including cycles of debt due to rollovers or reborrowing,"[32] but frequent rollovers and refinancing are built into OppFi's business model. According to the Complaint filed by the Attorney General of the District of Columbia, 75% of OppFi's income comes from refinancing.[33] In fact, despite the high rates of default and charge-off noted above, OppFi set new company records for income, revenue and receivables in 2025.[34] This underscores the reality that, instead of offering "[r]epayment outcomes and program structures that enhance a borrower's financial capabilities,"[35] OppFi profits off of triple-digit interest rates and repeat refinancing, trapping consumers into cycles of reborrowing.

Following the 2008 financial crisis, Congress added financial stability considerations to the Bank Holding Company Act that required regulators to consider a charter's potential risk to the stability of the financial and banking system. The Bank Holding Company Act explicitly states that "in every case, the Board shall take into consideration the extent to which a proposed

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[29] Interagency Lending Principles for Offering Responsible Small Dollar Loans, May 2020, *available a*t: https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-65a.pdf [hereinafter Interagency Lending Principles].

[30] OppFi Q3 2024 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_events/2024/11/1/OppFi-Q3-2024-Earnings-Presentation_vF.pdf.

[31] Form 10-K, *supra* note 18, at 73.

[32] *Id.*

[33] DC Complaint, *supra* note 3.

[34] OppFi Q3 2025 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_financials/2025/q3/2025-Q3-Earnings-Presentation-Final-102825.pdf.

[35] Interagency Lending Principles, *supra* note 29.

acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system."[36]

Allowing OppFi, and potentially others with similar lending models, to become a national bank would create serious risks to the financial stability of the US banking system. If allowed to go forward, OppFi would have access to federal deposit insurance, the Federal Reserve Discount Window, and exemptions from many state consumer protection laws, including but not limited to state interest rate limits. Through its proposed acquisition of BNC and its application to become a bank holding company, OppFi seeks the imprimatur of being a regulated bank while expanding its exploitative business model of providing unaffordable high-cost loans to consumers and small businesses. This model lends itself to an increased risk of litigation and credit losses which could pose safety and soundness concerns. An exponential increase in risky loans has implications beyond harm to the individual consumer and threatens the health of the financial system. Allowing OppFi entry into the US banking system is too risky for communities, consumers, small businesses, and the banking system as a whole.

b. OppFi's lending practices do not meet the needs of low- and moderate-income neighborhoods in contravention of the Community Reinvestment Act.

When reviewing merger applications, the Bank Merger Act requires regulators to consider the convenience and needs of the communities to be served.[37] Likewise, Community Reinvestment Act (CRA) performance must be evaluated when regulators are considering applications for bank mergers and acquisitions.[38] The CRA requires federal financial supervisory agencies to assess an institution's record of helping to meet the credit needs of local communities in which they do business—including low- and moderate-income neighborhoods—consistent with safe and sound operation of the institution.[39] The implementing regulation for the CRA specifies, "Banks and savings associations are permitted and encouraged to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income geographies or individuals, **only if consistent with safe and sound operations**."[40] If consumer lending constitutes a substantial majority of a bank's business, the regulator will evaluate the bank's consumer lending, in addition to its mortgages, small business and farm loans, and community development loans.[41]

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[36] 12 USC §1842(c)(7).

[37] 12 U.S.C. § 1828(c)(5).

[38] 12 C.F.R. § 25.29. While BNC was evaluated for its CRA performance by the OCC in 2025 and achieved a "Satisfactory" rating, a CRA analysis for the new merger institution would bear little in common with this rating, as the nature of the institution's business under the merger would change entirely. Office of the Comptroller of the Currency, Community Reinvestment Act Performance Evaluation, BNC National Bank (Oct. 20, 2025), *available at:* https://www.occ.gov/static/cra/craeval/apr26/24224.pdf.

[39] 12 U.S.C. §§ 2901–2908; 12 C.F.R. § 25 (regulation implementing the CRA under the OCC); 12 C.F.R. § 228 (regulation implementing the CRA under the Federal Reserve System); 12 C.F.R. § 345 (regulation implementing the CRA under the FDIC); Federal Reserve, Community Reinvestment Act, *available at:* https://www.federalreserve.gov/consumerscommunities/cra_about.htm (last updated March 28, 2024).

[40] 12 C.F.R. § 25.21(f) (emphasis added); 12 C.F.R. § 228.21(d) (emphasis added).

[41] 12 C.F.R. § 25.22; 12 C.F.R. § 228.22.

As noted above, OppFi states that its entire mission is to serve the needs of communities that are struggling financially—whether due to low credit scores, low income, or other circumstances. However, data and basic logic both demonstrate that OppFi's products do not meet the needs of these communities—in fact, they inflict further harm on consumers who are already struggling financially.

OppFi provides loans to consumers whose credit applications are denied, who face difficulties paying bills, who lack adequate savings.[42] OppFi claims to meet their needs by helping rebuild their financial health.[43] One indicator of whether OppFi's loans meet this need is the percentage of borrowers who successfully repay their loans—or conversely, the percentage of borrowers who default. As noted above, nearly one-third of OppFi borrowers default on their loans, and OppFi's latest charge-off rates were nearly 50%. Rather than recognizing this as an indicator that OppFi's loans are unaffordable and causing harm to its consumers, OppFi's CEO explained in a 2022 earnings call that OppFi "feel[s] really good about" charge-off rates in the low 40s or high 30s and added, "we'll always strive to kind of target that and hit that metric."[44] By comparison, the Federal Reserve Bank of St. Louis looked at all commercial banks and found that in the first quarter of 2026 the average charge-off rate was merely 2.64%—or nearly 20 times lower than OppFi's rate.[45]

OppFi's loans are not helping borrowers achieve financial health, they are instead extending borrowers' indebtedness. This is evidenced by the rate at which borrowers refinance, as previously described. When refinancing OppFi loans, as the company explains on its website, "your interest rate generally will not change" and "this will result in paying back more over time, including interest."[46] When consumers refinance an OppFi loan they are generally applying to "borrow the difference between the existing loan amount and what they've already paid toward the principal."[47] As a result, the refinanced loan then covers the "current balance plus any additional amount you borrow."[48] When the Center for Responsible Lending reviewed nearly 5,000 consumer transactions dating up to May 2025 associated with over 200 OppFi borrowers, it found that approximately 34% refinanced their loans at least once, and those that did so tended to refinance at least two times, with 10% refinancing five or more times.[49] As noted earlier, the Attorney General for the District of Columbia found that that approximately half of OppFi

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[42] OppFi, *available at:* https://www.oppfi.com/ (last visited July 17, 2026).

[43] *Id.*

[44] Lost Opportunities, *supra* note 3, at 9 (citing a 2022 OppFi investor call transcript, OppFi Inc. (OPFI) Q3 2022 Earnings Call Transcript, (Nov. 2022), Seeking Alpha, *available at:* https://seekingalpha. com/article/4555683-oppfi-inc-opfi-q3-2022-earnings-call-transcript).

[45] Board of Governors of the Federal Reserve System (US), *Charge-Off Rate on Consumer Loans, All Commercial Banks* [CORCACBS], retrieved from FRED, Federal Reserve Bank of St. Louis; *available at*: https://fred.stlouisfed.org/series/CORCACBS.

[46] OppLoans, Refinance, *available at:* https://www.opploans.com/opploans-refinance/ (last visited July 16, 2026).

[47] *Id.*

[48] *Id.*

[49] Lost Opportunities, *supra* note 3, at 7.

borrowers refinance, with the average customer needing to refinance more than two times, as alleged in their 2021 Complaint.[50]

These facts and findings are all consistent with consumer experiences described in complaints submitted to state attorneys general, the Consumer Financial Protection Bureau, and the Better Business Bureau. These complaints repeatedly describe how consumers were left in a worse position after borrowing from OppFi. Consumers describe how OppFi's extremely high interest rates left them unable to pay off their debts, how their credit histories were damaged by inaccurate reporting to the credit bureaus, how OppFi refused to work with consumers to help them find solutions to pay down their principal in a sustainable way. Far from achieving financial health, consumers describe that these loans make it difficult for them to survive, that they necessitate further unsustainable borrowing just to keep up with payments.

The simple act of lending to consumers who cannot obtain traditional loans does not equate to meeting local credit needs. If the loan provided is so unaffordable that it forces the consumer into default or drives the consumer into further debt through repeated refinancing or additional high-interest borrowing, what need has been met? OppFi claims to help struggling Americans achieve financial health, but the data and the company's own words demonstrate the opposite—it helps to ensure their entrenchment in debt.

* * *

Becoming a bank holding company and gaining a national bank charter are privileges, not rights, and these privileges should only be bestowed upon applicants that have a history of responsible, safe, and sound lending that complies with consumer protection laws—OppFi's practices are none of these things. Allowing OppFi to become a bank holding company would supercharge unaffordable high-cost lending with the legitimacy of Board approval. Approval of this application would deeply injure consumers, nullify vital state-level consumer protections, and threaten the national bank charter. OppFi has made it clear that this bank holding company would become a vehicle to fund more unsafe and unsound lending that is outlawed in the majority of states. Allowing such access to a nonbank with its history of high-cost, unaffordable lending, as well as a stated intention to continue offering high-cost products to consumers and small businesses, puts vulnerable consumers in harm's way while simultaneously reducing states' ability to protect them. It also inherently creates greater and more concentrated risks to the stability of the entire financial system. Neither consumers nor the banking system should be required to absorb or insure against those risks. OppFi's application should be denied because of the increased risks such a bank holding company would pose to consumers, the U.S. financial system, and the greater economy.

For the reasons above, we urge the Board to protect consumers and preserve the stability and integrity of our national banking system by denying OppFi's application to become a bank holding company.

---

[50] DC Complaint, *supra* note 3, at ¶ 38.

Respectfully Submitted,

Kwame Raoul
Illinois Attorney General

Kris K. Mayes
Arizona Attorney General

Rob Bonta
California Attorney General

William Tong
Connecticut Attorney General

Brian L. Schwalb
District of Columbia Attorney General

Aaron M. Frey
Maine Attorney General

Anthony G. Brown
Maryland Attorney General

Andrea Joy Campbell
Massachusetts Attorney General

Dana Nessel
Michigan Attorney General

Keith Ellison
Minnesota Attorney General

Jennifer Davenport
New Jersey Attorney General

Letitia James
New York Attorney General

Jeff Jackson
North Carolina Attorney General

Dan Rayfield
Oregon Attorney General

Peter Neronha
Rhode Island Attorney General

Charity R. Clark
Vermont Attorney General

Jay Jones
Virginia Attorney General

Nick Brown
Washington Attorney General

THINK NEW MEXICO
A Results-Oriented Think Tank Serving New Mexicans

August 5, 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 OppFi's Merger Application

Dear Chair Powell:

Think New Mexico is submitting this letter to express our strong opposition to the merger application of OppFi, Inc. ("OppFi") and BNCCORP, Inc. and to urge the Board of Governors ("the Board") to hold a public hearing to fully examine the harms the proposed transaction would pose to communities, including New Mexico borrowers. We hope you will ultimately deny the application.

New Mexico is one of 21 states and the District of Columbia, where high-cost lending is banned under our state's usury law, which caps interest rates at 36%. With over 125 million people living in states that ban high-cost lending, we know firsthand that our communities are better off without exploitative lenders charging exorbitant interest rates. High-interest loans—such as the triple-digit APR loans made by OppFi—disproportionately harm communities of color, women, seniors, and young people. Prior to enactment of New Mexico's 36% APR cap, nearly 60% of the high-cost lenders operating in the state were located within 10 miles of a Native nation.

OppFi is a notorious nonbank, fintech installment lender with a history of evading state usury caps. It makes 95% of its high-cost personal loans through "rent-a-bank" schemes, which are designed to export high-interest rate products from states without usury laws. OppFi routinely makes loans that are designed to fail. In fact, in 2020, OppFi charged off more than 60% 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.

OppFi now seeks permission to acquire a national bank. Granting OppFi a national bank charter would enable OppFi to claim the right to ignore state usury and consumer protection laws, like New Mexico's, unleashing predatory lending in states that have chosen to outlaw it. OppFi's application cloaks its true intent in euphemistic terms, saying it intends to "have a greater geographical footprint to expand credit access;" in reality, however, it would exploit a national bank charter to spread high-cost loans nationwide.

The experiences of borrowers in New Mexico demonstrate that concrete harms would accompany OppFi's expanded national reach. As one New Mexico consumer reported to the Consumer Financial Protection Bureau:

> "The loan terms indicate 160.08 % interest rate. A personal advisor brought the following to my attention: [in 2023], House Bill 132 went into effect enacting a 36 % annual percentage rate (APR) cap on loans up to $10000.00 made under the New Mexico Bank Installment Loan Act and the New Mexico Small Loan Act (SLA). It appears the lender is charging well in excess of the legal interest rate."

Such accounts demonstrate that OppFi's promised expansion would not increase access to safe and affordable credit, but instead would expose more borrowers to unaffordable debt and financial instability.

At a time when many Americans are struggling under the weight of a historic affordability crisis, approving a national bank specializing in predatory loans with triple-digit interest rates will only drive people into deeper financial distress. Strong interest rate caps remain the most effective bulwark against exploitative lending, and research consistently shows that access to safe and affordable credit increases where high-interest rate loans are banned, including here in New Mexico.

To increase stability and public confidence in our financial system, we urge the Board to hold a public hearing to fully consider the interests of the public, including borrowers in states with strong usury laws like New Mexico, and ultimately deny OppFi's charter application. Thank you for your consideration of our comments.

Sincerely,

Kristina Fisher
Associate Director
Think New Mexico
505 Don Gaspar Ave.
Santa Fe, NM 87501

August 6, 2026

The Honorable Kevin Warsh
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

Re: Deny OppFi's Merger Application

Dear Chair Warsh:

Georgia Watch and the 10 undersigned Georgia-based organizations appreciate the opportunity to submit comments to the Federal Reserve Board of Governors regarding the merger application of Opportunity Financial, Inc. ("OppFi") and BNC Bank (BNCCORP, Inc.), which would effectively create a national bank charter for OppFi and enable it to spread its predatory lending model nationwide, even in states that ban the usurious interest rates they charge. We urge the Board to hold a public hearing to fully examine the harms the proposed transaction would pose to communities, including Georgia borrowers, and ultimately deny the application.

Georgia is one of 21 states, along with the District of Columbia, where high-cost lending is banned through our state's usury law, which caps interest rates at 32-60% depending on the size and length on the loan. With over 125 million people living in states that ban high-cost lending, we know firsthand that our communities are better off without exploitative lenders charging exorbitant interest rates. These types of debt-trap loans disproportionately harm communities of color, women, seniors, and young people.

Predatory debt traps, like the triple-digit APR loans peddled by OppFi, push people struggling to make ends meet further into debt and leave them worse off. OppFi is a notorious nonbank, fintech installment lender with a history of evading state usury caps. It makes 95% of its high-cost personal loans through "rent-a-bank" schemes, which are designed to export high-interest rates from states without usury laws. OppFi routinely makes loans that are designed to fail. In fact, in 2020, OppFi charged off more than 60% of its loans, evidencing a business model based on extracting wealth from low-income people and communities.

Not content only to "rent" a state bank charter to circumvent state usury laws, OppFi now seeks permission to acquire a national bank. Granting OppFi a national bank charter would enable OppFi to claim the right to ignore longstanding state usury and consumer protection laws, unleashing predatory lending in states where it is not now legal. Put plainly, approval of OppFi's bank acquisition would devastate low-income people and communities of color across the country. 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 OppFi'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.

At a time when people are struggling under the weight of a historic affordability crisis, approving a national bank specializing in predatory loans with triple-digit interest rates will only drive people into further financial distress. Strong interest rate caps remain the most effective bulwark against exploitative lending, and research consistently shows that access to safe and affordable credit increases where high-interest rate loans are banned. To ensure stability and public confidence in our financial system, the Board must hold a hearing to fully consider the interests of the public, including Georgia borrowers, and ultimately deny OppFi's charter application.

Sincerely,

Elizabeth B Coyle

Elizabeth B. Coyle
Executive Director
Georgia Watch

On behalf of these undersigned organizations:

1st Choice Credit Union
Access to Capital for Entrepreneurs
Alliance 85, Inc.
Atlanta Center for Self Sufficiency
Capital Good Fund
Georgia Advancing Communities Together, Inc.
Georgia Watch
Kindred Futures
Self-Help Credit Union
The Ark United Ministry Outreach Center

From:	Horace Peoples
To:	CHI SR Comments Applications
Subject:	[External] Opportunity Financial Acquisition of BNC Bank
Date:	Monday, August 10, 2026 9:13:55 PM

NONCONFIDENTIAL // EXTERNAL

Dear FRB Chicago Staff,

I'm writing in opposition to the proposed acquisition of BNC Bank by Opportunity Financial. My primary reason for recommending denial of this acquisition is that OppFi lends into the deepest and riskiest part of the subprime market. OppFi's lending is too risky for an institution that takes deposits.

Second, you should be skeptical of the maturity and risk appetite of an organization that has operated in the gray area of bank partnerships as a means to avoid the interest rate caps normally applicable to non-depository licensed lenders. They have embraced a questionable legal theory instead of complying with the lending laws of the states in which they do business.

Third--and I apologize for being flippant--giving a bank charter to a payday loan shop is about as ridiculous as giving a bank charter to a used car dealer, a slumlord, a penny stock boiler room, or a collection agency. These businesses have reputations in our society for taking advantage of people's ignorance and lack of choices. Some of them, I assume, are good people. But we tell our loved ones to avoid them for generally good reason. On its face, this application should get extra scrutiny.

For these reasons, you should deny the acquisition.

Kindest regards,
Horace Peoples
Erie, PA

August 5, 2026

LicensingPublicComments@occ.treas.gov
John (J.J.) Hansen
Director for Licensing
Community Bank West Region
Office of the Comptroller of the Currency
400 7th St. SW
Washington, D.C. 20219

Comments.applications@chi.frb.org
Christopher Koopmans, Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690-1414

Re: Comments in Opposition to the Interagency Bank Merger Act Application of Opportunity Financial, LLC to Acquire BNCCORP, Inc. and Merge with BNC National Bank

Dear Director Hansen and Senior Vice President Koopmans:

The undersigned organizations write to oppose the application of Opportunity Financial, LLC ("OppFi") to acquire BNCCORP, Inc. and merge with BNC National Bank. We ask that you deny this application, or, failing that, to hold a public hearing to fully develop the record.

OppFi's application is its latest attempt to use a bank charter to continue originating high-cost, high-default loans in states like California, where legislators have banned triple-digit interest rates – like those offered by OppFi – that prey on financially vulnerable borrowers and deepen their financial distress. We ask that you deny the application on safety-and-soundness, convenience and needs, and CRA grounds. OppFi's high-risk, high-default rate lending is the core of its business. Its lending model harms rather than meets the needs of the communities it claims to serve.

<u>OppFi's Predatory Business Model of High-Cost, High-Default Lending Runs Counter to Safety-and-Soundness Standards</u>

OppFi does not hide the rates it imposes on its installment loans. A recent review of OppFi's website by the Center for Responsible Lending found the company marketing loans ranging from $500 to $5,000, with 9- to 18-month terms, at APRs of up to 195%.[1] Rates at that level let OppFi recover its principal quickly even as they strain borrowers financially, pushing many toward refinancing and default, further damaging borrowers' credit standing.

California addressed this business model directly in 2019, when it passed the Fair Access to Credit Act, capping interest on loans between $2,500 and $10,000 at 36% plus the federal funds rate after the legislature found that loans in that range carried triple-digit rates with no statutory limit.[2] OppFi's response to that law is now the subject of litigation in the Los Angeles County Superior Court, where the California

[1]Whitney Barkley-Denney, Andrew Kushner & Candice Wang, *Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt* 7 (Ctr. for Responsible Lending, Jan. 2026) [hereinafter *Lost Opportunities*].
[2]Cal. Fin. Code § 22303 (West 2020); Assemb. Comm. on Banking & Fin., *AB 539 (Limón) Bill Analysis* 1 (Apr. 1, 2019).

Department of Financial Protection and Innovation alleges that OppFi, not its contracted bank partner, is the true originator of loans structured to sit above California's cap.[3] In that litigation, OppFi has claimed that it merely provides its bank partner with technology and other services under a contractual arrangement, denying any role as an actual lender.[4] Meanwhile, its merger application describes OppFi's central business as "managing credit risk of non-prime consumers, having operated this platform at scale across multiple economic cycles, facilitated billions of dollars in credit, and served millions of customers nationwide, supported by proprietary underwriting models."[5] In other words, OppFi does not merely support this lending through technology, it drives the business strategy that produces high-cost loans structured to extract the maximum possible payment before a borrower defaults.

This record should give regulators pause under the safety-and-soundness principle the Bank Merger Act requires it to weigh.[6] OppFi has disclosed a 51.4% net charge-off rate against average receivables in its most recent Form 10-K, and reported a 27.5% default rate as recently as its third-quarter 2024 earnings presentation.[7] On an investor call, OppFi's chief executive described a charge-off rate in the high 30s to low 40s not as a risk to manage down but as a target the company intends to keep hitting.[8]

These statements should raise a red flag and trigger the scrutiny required by the interagency Expanded Examination Guidance for Subprime Lending Programs, which directs examiners to closely evaluate any institution whose subprime lending equals or exceeds 25% of Tier 1 capital.[9] Indeed, OppFi repeatedly casts non-prime, underserved lending as its main enterprise, describing itself as a "nonbank specialty finance platform,"[10] stating that its "primary activities consist of facilitating unsecured consumer lending products" to that population,[11] and declaring outright that its "business is centered on expanding access to... credit for consumers and small businesses that are underserved... including non-prime borrowers."[12] This is a question that regulators can and should consider now.

OppFi's Loans Hurt, Rather Than Meet, the Needs of the Community

California borrowers have already described what this model looks like. One reported that OppFi offered a "refinance" after a missed payment, then closed the existing account and opened a new one carrying the same balance plus additional interest, producing three separate tradelines at two credit bureaus for what was, in substance, one debt.[13] Another calculated that a loan carrying a 159.22% annual rate would cost nearly triple its principal if paid on schedule.[14] A third reported that a debt collector pursuing an OppFi-

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[3]Brief of Amici Curiae Center for Responsible Lending et al. in Opposition to Demurrer at 5-7, *Opportunity Fin., LLC v. Hewlett*, No. 22-ST-CV-08163 (Cal. Super. Ct. filed July 8, 2022).
[4] The Department of Financial Protection and Innovation has filed a notice of appeal in this litigation on July 21, 2026. *Notice of Appeal*, Opportunity Fin., LLC v. Hewlett, No. 22STCV08163 (Cal. Super. Ct. filed July 21, 2026).
[5]*Interagency Bank Merger Act Application of OppFi Bank, N.A.*, at 12 (filed with the Fed. Deposit Ins. Corp. June 26, 2026) [hereinafter Application].
[6]12 U.S.C. § 1828(c)(5).
[7]*Lost Opportunities*, *supra* note 1, at 6 & nn.8-9 (citing OppFi Inc., Annual Report (Form 10-K) 73 (2025), and OppFi Q3 2024 Earnings Presentation 1 (Nov. 2024)).
[8]*Lost Opportunities*, *supra* note 1, at 6 (quoting *OppFi Inc. (OPFI) Q3 2022 Earnings Call Transcript* (Nov. 2022)).
[9]FDIC, *Expanded Examination Guidance for Subprime Lending Programs*, FIL-9-2001 (Jan. 31, 2001).
[10]Application, *supra* note 4, at 4, 10, and 12.
[11]Application, *supra* note 4, at 10.
[12]Application, *supra* note 4, at 12.
[13]Consumer Fin. Prot. Bureau, Complaint No. 10944603 (filed Nov. 27, 2024).
[14]Consumer Fin. Prot. Bureau, Complaint No. 18975513 (filed Jan. 24, 2026).

originated balance admitted, in writing, that its California collection license remained pending while it was actively collecting.[15] These are not outliers: credit reporting and debt collection issues account for most of the California complaints the CFPB has logged against OppFi. The Center for Responsible Lending's review of OppFi's own transaction data found that borrowers who refinance do so more than twice on average, with some refinancing more than a dozen times over several years.[16]

The application describes this transaction as an expansion of "responsible, transparent credit" to underserved borrowers.[17] The record above shows the opposite result for the California borrowers who have used OppFi's products. A lender so extractive that one third of its already financially strained users end up in default and over half of its loans are charged off cannot be described as responsible, safe, or sound. The application is also candid about the transaction's broader purpose: OppFi expects the merged bank to offer OppFi's products in "as many as ten additional states where it is currently unable" to lend.[18] A national bank charter would let OppFi assert federal preemption over state rate caps in service to its predatory business model, an abuse of the bank charter that the prudential regulators should not permit.

<u>OppFi's Lending Undermines Rather Than Meets its Community Reinvestment Act Obligations</u>

OppFi also discusses its Bitty small business loans as part of the offering it will expand in its CRA assessment areas and beyond.[19] Bitty offers "revenue-based financing" otherwise known as merchant cash advances (MCAs).[20] MCAs secure lender access to business revenue before the business borrower can use it to pay for rent, payroll, and other necessary business expenditures. MCA loan terms are often onerous: Bitty required one borrower to pay a daily amount of 35% of receipts, equivalent to 177.74% APR. In echo of the pre-crisis subprime mortgage market, Bitty advertises to brokers that will pay "15% commissions" to bring them small business borrowers, while placing those borrowers in financing with "factor rates" "as low as 1.49." On a 6-month transaction, that "as low as" price represents a low-end effective APR of 159%.[21]

The U.S. Small Business Administration under the Trump administration has declared that it will no longer refinance MCAs because of their association with harm to American small businesses, likening MCA lenders to "extortionists" who contribute to the small businesses who use them having "a very high fail rate."[22] States around the country, including Texas, Florida, Georgia, Missouri, Utah, Kansas, Virgina, California, and several other states have passed laws to help protect small businesses using MCA products like Bitty's. Texas' law, for example, was noted for advancing principles of "Free Enterprise, Personal Responsibility, Limited Government, and Individual Liberty."[23] If this application is approved the

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[15]Consumer Fin. Prot. Bureau, Complaint No. 21729198 (filed Apr. 29, 2026).
[16]*Lost Opportunities*, *supra* note 1, at 7.
[17]Application, *supra* note 4, at 12.
[18]Application, *supra* note 4, at 10-11.
[19]Application, *supra* note 4, at13,15, and 27.
[20] *Revenue-Based Financing for Small Businesses*, Bitty, https://bitty.com/revenue-based-financing/ (July 28, 2026).
[21] *Merchant Cash Advance Calculator: Find the True Cost of an MCA*, Nerdwallet. https://www.nerdwallet.com/business/loans/calculators/merchant-cash-advance-mca?msockid=2dd1cf2235ca62923a12d935344963fc (April 3, 2026)
[22] *7(a) Connect Quarterly Update April 2025,* at 43:49, *U.S. Small Business Administration*, YouTube (Apr. 22, 2025), https://www.youtube.com/watch?v=Covk7rMfBJE. See also, U.S. Small Bus. Admin., *April 22, 2025 7(a) Connect Quarterly Update*, at slide 24 (Apr. 22, 2025), https://sba.app.box.com/s/h1jqy67jb3q5rxsjuzv8ztyz0ui4j5nv.
[23] *HB 700*, Texas Policy Research, https://www.texaspolicyresearch.com/bills/89th-legislature-hb-700/

efforts of those states to protect their small businesses could be circumvented. Unaffordable loan payments, high default rates, damaged credit scores, destabilized business, and loss of borrower financial health all mean that OppFi borrowers will have fewer opportunities to access affordable credit. That is the opposite of what the CRA intends. To approve OppFi's application is to inflict lasting and systemic damage on millions of consumers' ability to participate in a healthy financial services market.

Conclusion

In light of OppFi's history of high-cost/high-default lending, the safety and soundness risks their model poses, the harm OppFi has already caused borrowers, and the application's failure to explain how the transaction would meet the credit needs of the communities OppFi proposes to serve, we ask you to hold a public hearing and ultimately deny this application. We are available to provide any additional information you may find useful.

Sincerely,

California Low-Income Consumers Coalition

CAMEO Network

Center for Responsible Lending

Consumer Federation of California

The Greenlining Institute

RISE Economy

Responsible Business Lending Coalition

Public Counsel

Public Good Law Center

From:	Travis.Sabalewski@hklaw.com
To:	CHI SR Comments Applications; LicensingPublicComments@occ.treas.gov
Subject:	[External] OppFi and BNC
Date:	Thursday, August 06, 2026 8:38:54 AM

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PLEASE NOTE: This email is not from a Federal Reserve address.
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RE: Federal Reserve: FRB-115953
OCC: 2026-Combination-346751
FDIC; 20260654
To Whom It May Concern:

Per their website, Opportunity Finance's mission is to lead community development financial institutions and their partners to ensure that low-income, low-wealth, and other underserved people and communities have access to affordable, responsible financial products and services. Opportunity Finance is a current client of Holland & Knight in representative matters involving consumer claims. Opportunity Finance has been a client for more 5 years. During that time Opportunity Finance has timely paid its obligations to the firm.

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