(312) 498-6353
mgurevich@oppfi.com
Oppfi.com

August 7, 2026

Via Electronic Delivery

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

The Honorable Kevin Warsh
Chairman
Board of Governors of the Federal Reserve
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: Response to Comment from Attorneys General Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Comptroller Gould, Chairman Warsh, and Chairman Hill:

OppFi Inc. ("**OppFi**") appreciates the opportunity to respond to the letter filed by Attorney General Kwame Raoul on behalf of the Attorneys General listed on the attached distribution list, concerning the applications submitted on June 27, 2026 (the "**Applications**") to the Board of Governors of the Federal Reserve System ("**Board**") and Federal Reserve Bank of Chicago ("**Reserve Bank**," and together with the Board, the "**Federal Reserve**"), the Office of the Comptroller of the Currency ("**OCC**"), and the Federal Deposit Insurance Corporation ("**FDIC**," and together with the Federal Reserve and OCC, the "**Agencies**") to acquire BNCCORP, INC. ("**BNCCORP**"), and indirectly, BNCCORP's wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the "**Acquisition**"). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association ("**OppFi Bank**"), and the combination of OppFi's business with the business of BNC National Bank.

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

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III affirms that OppFi Bank will operate in a safe and sound manner, in accordance with applicable law. Part IV affirms that adverse precedent would not be established by approving the Acquisition. Part V demonstrates that approving the Applications would not negatively impact vulnerable groups. Part VI explains that, given the substantial information provided by the Applications and the comment process, additional procedural accommodations are unnecessary. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

Finally, though the letter from the commenters mentions the provision of services related to cryptocurrency by national banks, OppFi notes for completeness that it does not presently intend for OppFi Bank to provide any such services.

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

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

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

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

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("**PLPA**"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant negative consequences for nonprime borrowers.[2] Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, "including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off."[3] This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.[4] This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

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

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi's TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides

---

[1] *See, e.g.*, Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Softcheck Comment**"), https://www.regulations.gov/comment/OCC-2026-0727-0005, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Davis Comment**"), https://www.regulations.gov/comment/OCC-2026-0727-0008.
[2] J. Brandon Bolen, Gregory Elliehausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), https://dx.doi.org/10.2139/ssrn.4315919. *See also* Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), https://doi.org/10.59576/sr.1173.
[3] *See* Bolen, Elliehausen & Miller.
[4] *See id*.

free access to the Zogo financial literacy app[5] and partners with SpringFour[6] to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.[7]

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration[8] of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

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

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

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business

---

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

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

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

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

for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,[9] including in California where a court recently ruled in favor of OppFi.[10] Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

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

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

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

---

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

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

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

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

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

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

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

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

---

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

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

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

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

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.[14] Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

Denial of the Applications would not solve the financial problems affecting vulnerable and disadvantaged groups. Those problems are not a byproduct of the loan products OppFi facilitates, but rather, a consequence of the historical manner in which the American economy is structured. Indeed, denying the Applications could well have the opposite effect from what the commenters

---

[14] *See, e.g.*, Softcheck Comment, Davis Comment.

intend, by reducing the availability of credit specifically offered to individuals in vulnerable and disadvantaged groups, and by making such groups more dependent upon offerings outside of the regulated financial services space. Many of the other lenders to which such individuals may turn do not provide the transparent disclosures, clear terms, and other community-oriented services that OppFi prides itself on providing. For more information regarding such terms and services, please see the section of this letter titled "OppFi's mission is to facilitate safe, simple, and more affordable credit access to Americans who lack traditional options."

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

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

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

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

[15] With respect to the Application under consideration by the Board of Governors of the Federal Reserve System, certain letters also request consideration by the full Board of Governors.
[16] 12 C.F.R. § 303.10.
[17] 12 C.F.R. § 5.11.
[18] 12 C.F.R. § 262.3(e).

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

* * * * *

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

Very truly yours,

/s/ Todd Schwartz	/s/ Marv Gurevich
Todd Schwartz Chief Executive Officer	Marv Gurevich General Counsel

cc: Distribution List

DISTRIBUTION LIST

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106
KC.applications@fdic.gov

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604
comments.applications@chi.frb.org

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 2021
Licensing@occ.treas.gov

U.S. Department of Justice
Antitrust Division Litigation II Section / Banking Unit
Liberty Square Building Suite 8700
450 Fifth Street, NW
Washington, D.C. 20530
Antitrust.bank@usdoj.gov

Larisa Collado
Acting Deputy Regional Director
Federal Deposit Insurance Corporation
Division of Risk Management Supervision
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
chi.applications@fdic.gov

Jennifer A. Ball
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106
KC.applications@fdic.gov

Michael Lewis
Partner
Sidley Austin LLP
1501 K St NW
Washington, D.C. 20005
michael.lewis@sidley.com

Susana Soriano
Assistant Director of Banks & Trusts
Illinois Department of Financial and Professional
Regulation Division of Banking
555 West Monroe Street, 5th Floor
Chicago, Illinois 60661
Susana.Soriano@illinois.gov

Matthew R. Lee, Esq.
Fair Finance Watch
c/o Matthew R. Lee Esq.
P.O. Box 130222
New York, New York 10012
lee@fairfinancewatch.org
innercitypress@gmail.com

Kwame Raoul
c/o Linda Jun
Assistant Attorney General
Office of the Illinois Attorney General
115 S. LaSalle St, Fl. 26
Chicago, Illinois 60603
Linda.Jun@ilag.gov

Attorneys General Distribution List

Kris K. Mayes
Attorney General
State of Arizona

Rob Bonta
Attorney General
State of California

Philip J. Weiser
Attorney General
State of Colorado

William Tong
Attorney General
State of Connecticut

Brian L. Schwalb
Attorney General
District of Columbia

Anne E. Lopez
Attorney General
State of Hawaii

Aaron M. Frey
Attorney General
State of Maine

Anthony G. Brown
Attorney General
State of Maryland

Andrea Joy Campbell
Attorney General
Commonwealth of Massachusetts

Dana Nessel
Attorney General
State of Michigan

Keith Ellison
Attorney General
State of Minnesota

Aaron D. Ford
Attorney General
State of Nevada

Jennifer Davenport
Attorney General
State of New Jersey

Raúl Torrez
Attorney General
New Mexico

Letitia James
Attorney General
State of New York

Dan Rayfield
Attorney General
State of Oregon

Peter Neronha
Attorney General
State of Rhode Island

Charity R. Clark
Attorney General
State of Vermont

Nick Brown
Attorney General
State of Washington

APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

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

July 2026

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

What is OppFi, and what is its mission?

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

The Economics of Small-Dollar Credit

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

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

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

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

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

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

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

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

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

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

OppFi's Product and Consumer Protections

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

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

What does an OppFi loan cost beyond interest?

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

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

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

Does refinancing trap a customer in a cycle of debt?

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

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

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

How do customers rate their experience with OppFi?

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

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

Reading the Loss Data Correctly

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

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

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or ⅓ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

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

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

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

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

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

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

Does small-dollar lending count toward community reinvestment obligations?

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

How does this merger benefit customers?

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

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

Sources

Chen, Lisa and Gregory Elliehausen. The Cost Structure of Consumer Finance Companies and Its Implications for Interest Rates. Federal Reserve Board, 2020.

Bolen, J. Brandon, Gregory Elliehausen, and Thomas W. Miller, Jr. Effects of Illinois' 36% Interest Rate Cap on Small-Dollar Credit Availability and Financial Well-Being. December 2022. SSRN: 4315919.

Bank Policy Institute. Costs and Pricing of Bank-Provided Small Dollar Loans. 2020.

OppFi Inc. 2025 Social Impact Report.

Financial Health Network. FinHealth Score Methodology and 2025 U.S. Financial Health Pulse.

FDIC. 2023 National Survey of Unbanked and Underbanked Households. November 2024.

Durkin, Thomas and Gregory Elliehausen. Assessing the Price of Short-Term Credit. November 2013.

Consumer Financial Protection Bureau. Taskforce on Federal Consumer Financial Law Report, Volume 1. January 2021.

Federal Deposit Insurance Corporation. Study of Bank Overdraft Programs. November 2008.

Edmiston, Kelly D. "Could Restrictions on Payday Lending Hurt Consumers?" Federal Reserve Bank of Kansas City, Economic Review, First Quarter 2011.

Carter, Susan Payne and William Skimmyhorn. "New Evidence on the Effects of Payday Lending on Military Members." Review of Economics and Statistics, Vol. 99, No. 4, 2017.

Adams, Matthew and John Berlau. The Annual Percentage Rate Is the Wrong Metric for Assessing the Cost of a Short-Term Loan. Competitive Enterprise Institute, April 2021.

Chakrabarti, Rajashri, Daniel Garcia, Donald Morgan, and Lee Seltzer. Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits. Federal Reserve Bank of New York Staff Reports, no. 1173, December 2025.

Servon, Lisa. The Unbanking of America. Houghton Mifflin Harcourt, 2017.

(312) 498-6353
mgurevich@oppfi.com
Oppfi.com

August 11, 2026

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Christopher Koopmans
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690-1414

Re: Response to Comment from Consumers League of New Jersey Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Ms. Kaemingk, Mr. Lybarger, and Mr. Koopmans:

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

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

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III explains that adverse precedent would not be established by approving the Acquisition. Part IV demonstrates that approving the Applications would not negatively impact vulnerable groups. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

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

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

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

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

loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.[1]

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("**PLPA**"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant negative consequences for nonprime borrowers.[2] Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, "including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off."[3] This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.[4] This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

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

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi's TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides

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

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

[3] *See* Bolen, Elliehausen & Miller.

[4] *See id*.

free access to the Zogo financial literacy app[5] and partners with SpringFour[6] to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.[7]

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration[8] of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

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

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

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business

---

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

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

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

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

for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,[9] including in California where a court recently ruled in favor of OppFi.[10] Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

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

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

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

---

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

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

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

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

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

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

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

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

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

---

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

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

* * * * *

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

Very truly yours,

/s/ Todd Schwartz	/s/ Marv Gurevich
Todd Schwartz Chief Executive Officer	Marv Gurevich General Counsel

cc: Distribution List

DISTRIBUTION LIST

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106
KC.applications@fdic.gov

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604
comments.applications@chi.frb.org

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219
Licensing@occ.treas.gov

U.S. Department of Justice/Antitrust Division
Financial Services, FinTech, and Banking Section
450 5th Street NW, Suite 4000
Washington DC 20530
Antitrust.bank@usdoj.gov

Larisa Collado
Acting Deputy Regional Director
Federal Deposit Insurance Corporation
Division of Risk Management Supervision
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
chi.applications@fdic.gov

Jennifer A. Ball
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106
KC.applications@fdic.gov

Michael Lewis
Partner
Sidley Austin LLP
1501 K St NW
Washington, D.C. 20005
michael.lewis@sidley.com

Yongmoon Kim
Consumers League of New Jersey
P.O. Box 1136
Montclair, New Jersey 07042
staff@consumersleague.org

Susana Soriano
Assistant Director of Banks & Trusts
Illinois Department of Financial and Professional Regulation
Division of Banking
555 West Monroe Street, 5th Floor
Chicago, Illinois 60661
Susana.Soriano@illinois.gov

Matthew R. Lee, Esq.
Fair Finance Watch
c/o Matthew R. Lee Esq.
P.O. Box 130222
New York, New York 10012
lee@fairfinancewatch.org
innercitypress@gmail.com

Linda Jun
Assistant Attorney General
Office of the Illinois Attorney General
115 S. LaSalle St, Fl. 26
Chicago, Illinois 60603
Linda.Jun@ilag.gov

James C. Sturdevant
The Sturdevant Law Firm
P. O. Box 151560
San Rafael, California 94915
jsturdevant@sturdevantlaw.com

Tara Flynn
Policy Director
National Community Reinvestment Coalition
740 15th Street NW, Suite 400
Washington, D.C. 20005
tflynn@ncrc.org

Lisa Zucker
Senior Policy Counsel
National Center for Law and Economic Justice
50 Broadway, Suite 1500
New York, New York 10004
zucker@nclej.org

Myanno Miller
Advocacy Associate
Woodstock Institute
67 East Madison Suite 2108
Chicago, Illinois 60603
mmiller@woodstockinst.org

Emily Kraeck
Chief of Staff
Legal Services of New Jersey
P.O. Box 1357
Edison, New Jersey 08818
ekraeck@lsnj.org

Neil Fogarty
Treasurer
Consumers League of New Jersey
P.O. Box 1136
Montclair, New Jersey 07042
staff@consumersleague.org

APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

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

July 2026

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

What is OppFi, and what is its mission?

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

The Economics of Small-Dollar Credit

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

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

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

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

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

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

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

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

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

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

OppFi's Product and Consumer Protections

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

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

What does an OppFi loan cost beyond interest?

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

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

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

Does refinancing trap a customer in a cycle of debt?

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

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

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

How do customers rate their experience with OppFi?

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

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

Reading the Loss Data Correctly

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

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

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or ⅓ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

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

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

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

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

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

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

Does small-dollar lending count toward community reinvestment obligations?

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

How does this merger benefit customers?

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

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

Sources

Chen, Lisa and Gregory Elliehausen. The Cost Structure of Consumer Finance Companies and Its Implications for Interest Rates. Federal Reserve Board, 2020.

Bolen, J. Brandon, Gregory Elliehausen, and Thomas W. Miller, Jr. Effects of Illinois' 36% Interest Rate Cap on Small-Dollar Credit Availability and Financial Well-Being. December 2022. SSRN: 4315919.

Bank Policy Institute. Costs and Pricing of Bank-Provided Small Dollar Loans. 2020.

OppFi Inc. 2025 Social Impact Report.

Financial Health Network. FinHealth Score Methodology and 2025 U.S. Financial Health Pulse.

FDIC. 2023 National Survey of Unbanked and Underbanked Households. November 2024.

Durkin, Thomas and Gregory Elliehausen. Assessing the Price of Short-Term Credit. November 2013.

Consumer Financial Protection Bureau. Taskforce on Federal Consumer Financial Law Report, Volume 1. January 2021.

Federal Deposit Insurance Corporation. Study of Bank Overdraft Programs. November 2008.

Edmiston, Kelly D. "Could Restrictions on Payday Lending Hurt Consumers?" Federal Reserve Bank of Kansas City, Economic Review, First Quarter 2011.

Carter, Susan Payne and William Skimmyhorn. "New Evidence on the Effects of Payday Lending on Military Members." Review of Economics and Statistics, Vol. 99, No. 4, 2017.

Adams, Matthew and John Berlau. The Annual Percentage Rate Is the Wrong Metric for Assessing the Cost of a Short-Term Loan. Competitive Enterprise Institute, April 2021.

Chakrabarti, Rajashri, Daniel Garcia, Donald Morgan, and Lee Seltzer. Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits. Federal Reserve Bank of New York Staff Reports, no. 1173, December 2025.

Servon, Lisa. The Unbanking of America. Houghton Mifflin Harcourt, 2017.

(312) 498-6353
mgurevich@oppfi.com
Oppfi.com

August 11, 2026

Via Electronic Delivery

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Christopher Koopmans
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690-1414

Re: Response to Comment from Capital Good Fund, Citizen Action/Illinois, Illinois People's Action, Jewish Free Loan Chicago, Legal Action Chicago, and Woodstock Institute Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Ms. Kaemingk, Mr. Lybarger, and Mr. Koopmans:

OppFi Inc. ("**OppFi**") appreciates the opportunity to respond to the letter filed by Capital Good Fund, Citizen Action/Illinois, Illinois People's Action, Jewish Free Loan Chicago, Legal Action Chicago, and Woodstock Institute (collectively, the "**Illinois Groups**") concerning the applications submitted on June 27, 2026 (the "**Applications**") to the Board of Governors of the Federal Reserve System ("**Board**") and Federal Reserve Bank of Chicago ("**Reserve Bank**," and together with the Board, the "**Federal Reserve**"), the Office of the Comptroller of the Currency ("**OCC**"), and the Federal Deposit Insurance Corporation ("**FDIC**," and together with the Federal Reserve and OCC, the "**Agencies**") to acquire BNCCORP, INC. ("**BNCCORP**"), and indirectly, BNCCORP's wholly owned subsidiary, BNC National Bank (the transactions to which the Applications relate, collectively, the "**Acquisition**"). Among other things, the Acquisition will result in the renaming of BNC National Bank as OppFi Bank, National Association ("**OppFi Bank**"), and the combination of OppFi's business with the business of BNC National Bank.

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

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III demonstrates that OppFi prioritizes positive customer outcomes and the responsible resolution of regulatory matters. Part IV affirms that adverse precedent would not be established by approving the Acquisition. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

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

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

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

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

loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.[1]

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("**PLPA**"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant negative consequences for nonprime borrowers.[2] Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, "including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off."[3] This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.[4] This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

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

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi's TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides

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

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

[3] *See* Bolen, Elliehausen & Miller.

[4] *See id*.

free access to the Zogo financial literacy app[5] and partners with SpringFour[6] to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.[7]

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration[8] of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

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

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

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business

---

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

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

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

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

for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,[9] including in California where a court recently ruled in favor of OppFi.[10] Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

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

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

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

---

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

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

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

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

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

Indeed, measures of customer satisfaction that seek feedback from both satisfied and unsatisfied customers reflect general satisfaction with the products that OppFi offers. OppFi has earned a 74 net promoter score from customers so far in 2026.[12] Net promoter score is a measure of the likelihood that a customer would recommend a company, product, or a service to a friend or colleague, based upon customer surveys. OppFi's net promoter score for this period is among the leading figures in the financial industry. OppFi also maintains a 4.7 star average on over 12,000 reviews on Google, and a 4.4 star average on over 5,000 reviews on TrustPilot. This suggests that customer experiences with OppFi are broadly positive.

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

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

As such, while OppFi takes all customer complaints seriously, the fact that complaints exist (as they do with any financial services company) is not inherently a reason to disfavor the Applications. Instead, such complaints must be considered in the broader context of OppFi's

---

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

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

overall customer satisfaction, which shows that a considerable majority of customers are satisfied with their experience using loan products OppFi facilitates.

OppFi's record also reflects a responsible approach to resolving regulatory matters. Where possible, OppFi has sought to work with regulators to address issues in a cooperative manner.[14] Where such an approach was not possible, or would be materially inconsistent with OppFi's business interests, OppFi has elected to pursue available legal remedies to vindicate its interests (as any business would do). Of particular note, in 2022, the California DFPI alleged that OppFi, rather than its bank partner, was the "true lender" with respect to the loans that such lenders originate. In May 2026, a California state court rejected those claims, finding that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards.[15] As such, the interest rates that may be charged on those loans at origination by OppFi's bank partner remain valid if those loans are later sold or transferred under the long-standing "valid-when-made" doctrine. The DFPI has filed a notice of appeal. However, OppFi remains confident that both its existing business model of working with bank partners that originate loans, as well as its proposed business model of originating loans directly through OppFi Bank, are consistent with clearly established legal principles permitting banks to rely upon the interest rate limitations of their home state, consistent with federal law.

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

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

Approval of the Acquisition, which would permit OppFi to operate OppFi Bank and engage in the business of short-term, small dollar lending consistent with applicable law, will not open a

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

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

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

* * * * *

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

Very truly yours,

/s/ Todd Schwartz	/s/ Marv Gurevich
Todd Schwartz Chief Executive Officer	Marv Gurevich General Counsel

cc: Distribution List

DISTRIBUTION LIST

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106
KC.applications@fdic.gov

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604
comments.applications@chi.frb.org

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219
Licensing@occ.treas.gov

U.S. Department of Justice/Antitrust Division
Financial Services, FinTech, and Banking Section
450 5th Street, NW, Suite 4000
Washington, D.C. 20530
Antitrust.bank@usdoj.gov

Larisa Collado
Acting Deputy Regional Director
Federal Deposit Insurance Corporation
Division of Risk Management Supervision
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
chi.applications@fdic.gov

Jennifer A. Ball
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106
KC.applications@fdic.gov

Michael Lewis
Partner
Sidley Austin LLP
1501 K St NW
Washington, D.C. 20005
michael.lewis@sidley.com

Susana Soriano
Assistant Director of Banks & Trusts
Illinois Department of Financial and Professional Regulation
Division of Banking
555 West Monroe Street, 5th Floor
Chicago, Illinois 60661
Susana.Soriano@illinois.gov

Matthew R. Lee, Esq.
Fair Finance Watch
c/o Matthew R. Lee Esq.
P.O. Box 130222
New York, New York 10012
lee@fairfinancewatch.org
innercitypress@gmail.com

Linda Jun
Assistant Attorney General
Office of the Illinois Attorney General
115 S. LaSalle St, Fl. 26
Chicago, Illinois 60603
Linda.Jun@ilag.gov

James C. Sturdevant
The Sturdevant Law Firm
P. O. Box 151560
San Rafael, CA 94915
jsturdevant@sturdevantlaw.com

Myanno Miller
Advocacy Associate
Woodstock Institute
67 East Madison
Suite 2108
Chicago, Illinois 60603
mmiller@woodstockinst.org

APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

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

July 2026

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

What is OppFi, and what is its mission?

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

The Economics of Small-Dollar Credit

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

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

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

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

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

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

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

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

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

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

OppFi's Product and Consumer Protections

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

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

What does an OppFi loan cost beyond interest?

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

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

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

Does refinancing trap a customer in a cycle of debt?

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

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

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

How do customers rate their experience with OppFi?

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

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

Reading the Loss Data Correctly

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

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

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or ⅓ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

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

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

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

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

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

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

Does small-dollar lending count toward community reinvestment obligations?

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

How does this merger benefit customers?

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

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

Sources

Chen, Lisa and Gregory Elliehausen. The Cost Structure of Consumer Finance Companies and Its Implications for Interest Rates. Federal Reserve Board, 2020.

Bolen, J. Brandon, Gregory Elliehausen, and Thomas W. Miller, Jr. Effects of Illinois' 36% Interest Rate Cap on Small-Dollar Credit Availability and Financial Well-Being. December 2022. SSRN: 4315919.

Bank Policy Institute. Costs and Pricing of Bank-Provided Small Dollar Loans. 2020.

OppFi Inc. 2025 Social Impact Report.

Financial Health Network. FinHealth Score Methodology and 2025 U.S. Financial Health Pulse.

FDIC. 2023 National Survey of Unbanked and Underbanked Households. November 2024.

Durkin, Thomas and Gregory Elliehausen. Assessing the Price of Short-Term Credit. November 2013.

Consumer Financial Protection Bureau. Taskforce on Federal Consumer Financial Law Report, Volume 1. January 2021.

Federal Deposit Insurance Corporation. Study of Bank Overdraft Programs. November 2008.

Edmiston, Kelly D. "Could Restrictions on Payday Lending Hurt Consumers?" Federal Reserve Bank of Kansas City, Economic Review, First Quarter 2011.

Carter, Susan Payne and William Skimmyhorn. "New Evidence on the Effects of Payday Lending on Military Members." Review of Economics and Statistics, Vol. 99, No. 4, 2017.

Adams, Matthew and John Berlau. The Annual Percentage Rate Is the Wrong Metric for Assessing the Cost of a Short-Term Loan. Competitive Enterprise Institute, April 2021.

Chakrabarti, Rajashri, Daniel Garcia, Donald Morgan, and Lee Seltzer. Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits. Federal Reserve Bank of New York Staff Reports, no. 1173, December 2025.

Servon, Lisa. The Unbanking of America. Houghton Mifflin Harcourt, 2017.

(312) 498-6353
mgurevich@oppfi.com
Oppfi.com

August 11, 2026

Via Electronic Delivery

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Christopher Koopmans
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690-1414

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

Dear Ms. Kaemingk, Mr. Lybarger, and Mr. Koopmans:

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

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

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III affirms that OppFi Bank will operate in a safe and sound manner, in accordance with applicable law. Part IV explains that adverse precedent would not be established by approving the Acquisition. Part V demonstrates that approving the Applications would not negatively impact vulnerable groups. Part VI explains that, given the substantial information provided by the Applications and the comment process, additional procedural accommodations are unnecessary. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

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

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

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

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

loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.[1]

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("**PLPA**"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant negative consequences for nonprime borrowers.[2] Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, "including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off."[3] This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.[4] This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

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

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi's TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides

[1] *See, e.g.*, Comment from Daniel Softcheck to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Softcheck Comment**"), https://www.regulations.gov/comment/OCC-2026-0727-0005, Comment from Iris J. Davis to the Office of the Comptroller of the Currency (Jul. 30, 2026) ("**Davis Comment**"), https://www.regulations.gov/comment/OCC-2026-0727-0008.
[2] J. Brandon Bolen, Gregory Elliehausen & Thomas W. Miller, Jr., *Credit for Me But Not for Thee: The Effects of the Illinois Rate Cap* (Jun. 2023), https://dx.doi.org/10.2139/ssrn.4315919. *See also* Rajashri Chakrabarti, Daniel Garcia, Donald Morgan & Lee Seltzer, *Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits*, Federal Reserve Bank of N.Y. Staff Rep. No. 1173 (Dec. 2025), https://doi.org/10.59576/sr.1173.
[3] *See* Bolen, Elliehausen & Miller.
[4] *See id*.

free access to the Zogo financial literacy app[5] and partners with SpringFour[6] to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.[7]

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration[8] of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

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

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

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business

---

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

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

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

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

for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,[9] including in California where a court recently ruled in favor of OppFi.[10] Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

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

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

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

---

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

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

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

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

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

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

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

---

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

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

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

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

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

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.[14] Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

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

---

[14] *See, e.g.*, Softcheck Comment, Davis Comment.

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

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

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

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

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

[15] With respect to the Application under consideration by the Board of Governors of the Federal Reserve System, certain letters also request consideration by the full Board of Governors.
[16] 12 C.F.R. § 303.10.
[17] 12 C.F.R. § 5.11.
[18] 12 C.F.R. § 262.3(e).

Applications in a manner distinct from other regulatory applications with respect to which the Agencies determined that a hearing was not necessary.

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

* * * * *

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

Very truly yours,

/s/ Todd Schwartz

Todd Schwartz
Chief Executive Officer

/s/ Marv Gurevich

Marv Gurevich
General Counsel

cc: Distribution List

DISTRIBUTION LIST

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106
KC.applications@fdic.gov

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604
comments.applications@chi.frb.org

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219
Licensing@occ.treas.gov

U.S. Department of Justice/Antitrust Division
Financial Services, FinTech, and Banking Section
450 5th Street NW, Suite 4000
Washington DC 20530
Antitrust.bank@usdoj.gov

Larisa Collado
Acting Deputy Regional Director
Federal Deposit Insurance Corporation
Division of Risk Management Supervision
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
chi.applications@fdic.gov

Jennifer A. Ball
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106
KC.applications@fdic.gov

Michael Lewis
Partner
Sidley Austin LLP
1501 K St NW
Washington, D.C. 20005
michael.lewis@sidley.com

James C. Sturdevant
The Sturdevant Law Firm
P.O. Box 151560
San Rafael, California 94915
jsturdevant@sturdevantlaw.com

Susana Soriano
Assistant Director of Banks & Trusts
Illinois Department of Financial and Professional Regulation
Division of Banking
555 West Monroe Street, 5th Floor
Chicago, Illinois 60661
Susana.Soriano@illinois.gov

Matthew R. Lee, Esq.
Fair Finance Watch
c/o Matthew R. Lee Esq.
P.O. Box 130222
New York, New York 10012
lee@fairfinancewatch.org
innercitypress@gmail.com

Linda Jun
Assistant Attorney General
Office of the Illinois Attorney General
115 S. LaSalle St, Fl. 26
Chicago, Illinois 60603
Linda.Jun@ilag.gov

APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

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

July 2026

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

What is OppFi, and what is its mission?

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

The Economics of Small-Dollar Credit

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

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

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

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

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

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

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

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

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

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

OppFi's Product and Consumer Protections

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

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

What does an OppFi loan cost beyond interest?

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

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

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

Does refinancing trap a customer in a cycle of debt?

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

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

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

How do customers rate their experience with OppFi?

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

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

Reading the Loss Data Correctly

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

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

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or ⅓ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

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

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

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

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

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

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

Does small-dollar lending count toward community reinvestment obligations?

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

How does this merger benefit customers?

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

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

Sources

Chen, Lisa and Gregory Elliehausen. The Cost Structure of Consumer Finance Companies and Its Implications for Interest Rates. Federal Reserve Board, 2020.

Bolen, J. Brandon, Gregory Elliehausen, and Thomas W. Miller, Jr. Effects of Illinois' 36% Interest Rate Cap on Small-Dollar Credit Availability and Financial Well-Being. December 2022. SSRN: 4315919.

Bank Policy Institute. Costs and Pricing of Bank-Provided Small Dollar Loans. 2020.

OppFi Inc. 2025 Social Impact Report.

Financial Health Network. FinHealth Score Methodology and 2025 U.S. Financial Health Pulse.

FDIC. 2023 National Survey of Unbanked and Underbanked Households. November 2024.

Durkin, Thomas and Gregory Elliehausen. Assessing the Price of Short-Term Credit. November 2013.

Consumer Financial Protection Bureau. Taskforce on Federal Consumer Financial Law Report, Volume 1. January 2021.

Federal Deposit Insurance Corporation. Study of Bank Overdraft Programs. November 2008.

Edmiston, Kelly D. "Could Restrictions on Payday Lending Hurt Consumers?" Federal Reserve Bank of Kansas City, Economic Review, First Quarter 2011.

Carter, Susan Payne and William Skimmyhorn. "New Evidence on the Effects of Payday Lending on Military Members." Review of Economics and Statistics, Vol. 99, No. 4, 2017.

Adams, Matthew and John Berlau. The Annual Percentage Rate Is the Wrong Metric for Assessing the Cost of a Short-Term Loan. Competitive Enterprise Institute, April 2021.

Chakrabarti, Rajashri, Daniel Garcia, Donald Morgan, and Lee Seltzer. Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits. Federal Reserve Bank of New York Staff Reports, no. 1173, December 2025.

Servon, Lisa. The Unbanking of America. Houghton Mifflin Harcourt, 2017.

(312) 498-6353
mgurevich@oppfi.com
Oppfi.com

August 11, 2026

Via Electronic Delivery

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219

Christopher Koopmans
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690-1414

Re: Response to Comment from the National Community Reinvestment Coalition, Woodstock Institute, and Rise Economy Regarding OppFi Inc.'s Proposed Acquisition of BNCCORP, INC. and BNC National Bank

Dear Ms. Kaemingk, Mr. Lybarger, and Mr. Koopmans:

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

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

Part I of this letter discusses how OppFi's lending products benefit consumers who may otherwise be unable to obtain credit. Part II details OppFi's compliance with applicable interest rate laws, and the relevance of such issues to the Applications. Part III demonstrates that OppFi prioritizes positive customer outcomes and the responsible resolution of regulatory matters. Part IV explains that OppFi Bank will satisfy its obligations under the Community Reinvestment Act. Part V affirms that OppFi Bank will operate in a safe and sound manner, in accordance with applicable law. Part VI demonstrates that OppFi Bank will be led by individuals that have material bank management expertise, and will leverage the combined managerial strengths and governance infrastructure of OppFi and BNC National Bank. Part VII affirms that adverse precedent would not be established by approving the Acquisition. Part VIII explains that congressional repeal of the OCC's 2020 true lender rule does not conflict with approval of the Acquisition. Part IX demonstrates that approving the Applications would not negatively impact vulnerable groups. Part X explains that, given the substantial information provided by the Applications and the comment process, additional procedural accommodations are unnecessary. Additionally, please see Appendix 1 for a set of responses to frequently asked questions that help explain OppFi's approach to compliance and the offering of its products.

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

Banks and credit unions have moved away from serving the 48+ million consumers with damaged credit. As a result, most individuals with damaged credit are often left without traditional options when they need access to credit. OppFi facilitates loans for these borrowers, in a way that is transparent, simple, and more affordable than other non-traditional credit alternatives. The short-term, small-dollar loan products that OppFi facilitates are underwritten by OppFi's bank partners to ensure the ability of borrowers to repay in a timely fashion.[1]

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

[1] Similarly, Bitty's small business financing products serve small businesses that may be unable to access credit through traditional channels or on traditional timelines. This may be for a variety of reasons, including because the business or its owner has nonprime credit, the business is too new to have an established credit profile, or the funding need is too time-sensitive for traditional channels. In such situations, Bitty aims to provide a transparent, alternative source of capital for otherwise-viable businesses.

lenders. These providers charge extremely high interest rates, generally more than twice the rates that OppFi loans offer, impose exorbitant fees and penalties, and offer opaque terms.

The interest rates charged on the loans that OppFi facilitates reflect the fixed costs of underwriting, compliance, and servicing for such loans, and are calibrated to the repayment risk associated with such products. Importantly, these fixed costs reflect the underlying operations necessary to engage in this business, and do not scale down with the size of the loan. As a result, the interest rates associated with these loans (measured as a standardized annual percentage rate ("**APR**")) may be higher than those offered by banks and credit unions for conventional loan products. However, a loan product that has a higher APR is not inherently "unfair" or "predatory," nor is it inherently undesirable for a consumer who is unable to obtain needed credit from traditional sources. As comment letters submitted by OppFi customers to the OCC indicate, the loan products that OppFi facilitates are available for consumers when they need help, even if traditional lenders are unwilling to make credit available at those difficult times.[2]

Indeed, research conducted regarding the Illinois Predatory Loan Prevention Act ("**PLPA**"), which caps the APR that may be charged in Illinois at 36%, found that the PLPA had the effect of decreasing the availability of credit to nonprime borrowers (decreasing the number of loans to such borrowers by 38%), and that the decrease in credit availability had significant negative consequences for nonprime borrowers.[3] Surveys of borrowers that lost access to credit demonstrated a preference for the option to return to their previous lender, and described negative consequences of credit unavailability, "including paying bills late and generating fees, cutting back on everyday expenses, being contacted by debt collectors, skipping urgent appointments, and having utilities turned off."[4] This same research showed that while lenders decreased availability of small dollar loans to nonprime borrowers under the PLPA, they simultaneously increased the size of loans to nonprime borrowers, and increased the number of loans made to prime borrowers.[5] This reflects that under APR limitations such as those imposed under the PLPA, lenders are constrained in their ability to charge sufficient interest on small dollar loans to operate such a business in a sustainable and profitable manner.

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

---

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

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

[4] *See* Bolen, Elliehausen & Miller.

[5] *See id*.

borrowers, while willfully ignoring the alternative products that are available, does not serve the interests of everyday working Americans.

As part of its business, OppFi also provides services that are meant to help improve the financial health of its consumers generally. OppFi's TurnUp program checks eligible applicants who opt in against several near-prime lending partners before or during the application process, and directs applicants to a lower-rate offer if one exists. OppFi offers one-time payment deferments, income-loss hardship plans, and disaster-assistance programs intended to keep a borrower in good standing rather than triggering default or collections. Moreover, OppFi reports all borrower payments to all three major credit bureaus, building their credit. OppFi also provides free access to the Zogo financial literacy app[6] and partners with SpringFour[7] to connect customers to a network of more than 25,000 vetted nonprofit and government resources — a service utilized by over 17,000 OppFi customers in 2025.[8]

The standard disclosures that are required for most credit products in the U.S., as well as other measures used in connection with lending, are generally calibrated to conventional loan products, and not to short-term, small-dollar products. For example, OppFi accurately reports the APR associated with the loan products it facilitates, consistent with applicable law. However, APR does not necessarily provide a meaningful measure of the cost of a short-term, small-dollar loan. This brief loan duration also makes OppFi's annualized charge-off rate appear misleadingly high. The true lifetime charge-off rate, which divides total dollars charged off by total dollars originated, ranges from 20% to 25% for loans OppFi facilitates. This indicates that 75% to 80% of money lent is fully repaid. This measure is more informative for understanding overall repayment rates for individual loans than period-over-period financial reporting, which utilizes the annualized charge-off rate. Because the average historical duration[9] of an OppFi-facilitated loan is only about four months, OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. This misleadingly translates a 20% lifetime loss rate into an annualized rate of approximately 60%, even though the underlying dollar loss remains identical.

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

---

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

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

[8] 2025 Social Impact Report, OppFi Inc., https://www.oppfi.com/wp-content/uploads/OppFi-2025-Social-Impact-Report.pdf.

[9] As measured by the weighted-average life of such loans.

exactly how many incremental dollars they are receiving, to keep borrowers informed. In this manner, OppFi seeks to ensure that its customers are fully informed regarding financial decision-making, and to facilitate responsible availability of credit for such customers.

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

OppFi facilitates the origination of its installment loan products through partnerships with state-chartered, FDIC-insured banks, and OppFi's current bank partners lend at rates permitted by the laws of their home states, in compliance with applicable law. OppFi has been in this business for 14 years and has helped serve more than 1.7 million customers. Courts have upheld the legality of this business model,[10] including in California where a court recently ruled in favor of OppFi.[11] Given that OppFi operates under this established, legally compliant business model, and may continue to do so in an uninterrupted manner during the pendency of the Applications, the primary question raised by the Applications is what the regulatory structure will be that governs how OppFi operates going forward.

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

Upon approval of the Applications, OppFi will become subject to consolidated supervision by the Federal Reserve as a bank holding company, OppFi Bank will remain subject to supervision by the OCC, and both will continue to operate in compliance with all applicable laws, including relevant consumer protection laws. This includes the legal framework authorizing national banks to charge the interest rates permitted in their home states.[12] Being able to charge home state rates is the framework that *Congress* chose to apply to banks generally.

Congress also determined the statutory criteria that the Agencies must apply when determining whether or not to approve an application. Those criteria do not include whether interest rate exportation – a legal principle that Congress authorized – is desired by persons commenting on the application, or even by the Agencies themselves. Congress has repeatedly declined to impose a nationwide cap on APRs for loans (outside of a few limited circumstances) and explicitly forbid the CFPB from instituting a rate cap. By suggesting that the Agencies reject

---

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

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

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

the Applications on this basis, the commenters are effectively asking the Agencies to use the approval process to change the law from what Congress enacted. When the letter objects to the application of the statutory framework authorizing interest rate exportation, we respectfully submit that these concerns are more appropriately addressed by Congress. They cannot be resolved in individual application proceedings where the Agencies are required to apply statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted in a manner that is consistent with what federal law authorizes.

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

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

Indeed, measures of customer satisfaction that seek feedback from both satisfied and unsatisfied customers reflect general satisfaction with the products that OppFi offers. OppFi has earned a 74 net promoter score from customers so far in 2026.[13] Net promoter score is a measure of the likelihood that a customer would recommend a company, product, or a service to a friend or colleague, based upon customer surveys. OppFi's net promoter score for this period is among the leading figures in the financial industry. OppFi also maintains a 4.7 star average on over 12,000 reviews on Google, and a 4.4 star average on over 5,000 reviews on TrustPilot. This suggests that customer experiences with OppFi are broadly positive.

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

Customer satisfaction with products OppFi facilitates is also supported in the regulatory record associated with the Applications. As of the date of this letter, the OCC has received a number of comments from the public, discussing the ways in which the loan products OppFi facilitates have meaningfully improved the financial lives of customers who were unable to access credit from banks or credit unions with which they already had business relationships.[14] Those

[13] OppFi follows standard market practices for obtaining and measuring net promoter scores.

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

customers acknowledge the straightforward and transparent nature of OppFi's process, the ready availability of funds, and the importance of having a lender in the marketplace that is able to assist customers when they need a loan, including customers that have less-than-perfect credit ratings.

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

OppFi's record also reflects a responsible approach to resolving regulatory matters. Where possible, OppFi has sought to work with regulators to address issues in a cooperative manner.[15] Where such an approach was not possible, or would be materially inconsistent with OppFi's business interests, OppFi has elected to pursue available legal remedies to vindicate its interests (as any business would do). Of particular note, in 2022, the California DFPI alleged that OppFi, rather than its bank partner, was the "true lender" with respect to the loans that such lenders originate. In May 2026, a California state court rejected those claims, finding that OppFi's bank partners independently underwrite and approve loans, fund those loans with their own capital, bear the economic risk of credit loss, and control their own compliance and marketing standards.[16] As such, the interest rates that may be charged on those loans at origination by OppFi's bank partner remain valid if those loans are later sold or transferred under the long-standing "valid-when-made" doctrine. The DFPI has filed a notice of appeal. However, OppFi remains confident that both its existing business model of working with bank partners that originate loans, as well as its proposed business model of originating loans directly through OppFi Bank, are consistent with clearly established legal principles permitting banks to rely upon the interest rate limitations of their home state, consistent with federal law.

IV. BNC National Bank has consistently met its CRA obligations, and OppFi Bank will continue to satisfy its obligations under the Community Reinvestment Act.

BNC National Bank has consistently met its Community Reinvestment Act ("**CRA**") obligations and has never received a CRA rating of less than "satisfactory." BNC National Bank received satisfactory ratings for both the lending test and community development test in its 2025 CRA performance evaluation. The OCC's evaluation noted that BNC National Bank demonstrated reasonable geographic distribution of loans, reasonable distribution of loans among businesses and farms of different sizes, reasonable responsiveness to assessment area credit needs, and a reasonable loan-to-deposit ratio. In Arizona, BNC National Bank received an "outstanding" rating on the community development test based on excellent responsiveness to community development needs, including economic development lending and small business lending activities supporting

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

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

job creation and small business growth. In North Dakota, the OCC noted that BNC National Bank demonstrated reasonable responsiveness to assessment area needs through community development loans, qualified investments, and community development services targeted to local businesses and low- and moderate-income communities.

If the Applications are approved, OppFi Bank will satisfy its obligations under the CRA, and will work alongside community leaders in Arizona, North Dakota, and Utah to ascertain the needs of the community and the ways in which OppFi Bank can best to serve those needs. Upon further consideration, OppFi intends to amend the Applications to include a CRA strategic plan. OppFi Bank's strategic plan will build upon BNC National Bank's successful CRA program, and it will consult with the OCC to ensure that it will be able to make the greatest impact in its communities.

Just as BNC National Bank complies with its CRA obligations, OppFi Bank will develop a strategic plan that meets the OCC's CRA requirements.

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

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

If the Applications are approved, OppFi Bank will operate in a safe and sound manner, adhering to applicable legal requirements and guidance, including the Interagency Lending Principles for Responsible Small-Dollar Loans ("**Interagency Lending Principles**").[17] As articulated therein, "responsibly offered small-dollar loans can play [an important role] in helping customers meet their ongoing needs for credit due to temporary cash-flow imbalances, unexpected expenses, or income shortfalls, including during periods of economic stress, national emergencies, or disaster recoveries."[18] The Interagency Lending Principles align with OppFi's core focus on facilitating safe, simple, and more affordable credit access. This includes offering products that comply with all applicable laws, that align loan amounts and repayment terms with eligibility and underwriting criteria, that support the successful repayment of principal and interest in a reasonable timeframe, and that include clear and conspicuous disclosures of loan terms. OppFi Bank's provision of short-term, small dollar loans will be further buttressed by its use of OppFi's

---

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

existing strong risk management tools, as well as by a robust balance sheet appropriately calibrated to the risk of the asset portfolio that OppFi Bank will hold, and incorporating an appropriate capital buffer for purposes of the applicable regulatory capital ratios.

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

Moreover, OppFi's anticipated request for an exemption from Section 23A of the Federal Reserve Act and Regulation W should not raise safety and soundness concerns. As described in the Applications, the request for a waiver concerns a transaction that broadly constitutes an internal reorganization, meant to permit OppFi Bank to operate as a consolidated institution engaged in multiple lines of business. Section 23A, Regulation W, and Part 31 of the OCC's regulations all contemplate scenarios in which additional exemptions from the requirements of Section 23A may be required, and grant the Agencies the authority to evaluate such requests in accordance with designated statutory and regulatory criteria. OppFi is seeking a waiver only for activity that satisfies such criteria, including as relates to safety and soundness.

VI. OppFi Bank will benefit from the combined management expertise and governance strengths of OppFi and BNC National Bank.

Both OppFi and OppFi Bank will be overseen by boards of directors with considerable banking and public company experience, led by a combined management team that integrates broad financial sector and banking-specific expertise. OppFi's board of directors brings considerable financial, banking, and general corporate experience to the combined organization.

As a general matter, the members of these boards of directors have a demonstrated record of overseeing the operations of a large public company operating in a regulated industry. Moreover, several members of the OppFi and OppFi Bank boards of directors also have significant experience working at or serving on the boards of depository institution holding companies or their bank subsidiaries, which will support the board's oversight of the resulting bank. Christina Favilla served as Chief Operating Officer of Sterling National Bank and President of Discover Bank, and currently sits on the board of directors of Citizens State Bank of Ouray, Colorado. Greg Zeeman previously held various roles at HSBC, including serving as Chief Operating Officer of HSBC North America Holdings and Deputy Chief Executive Officer of HSBC Singapore. Additionally, Michael Vekich will continue to serve on the board of directors of OppFi Bank, providing continuity with the existing directors. Mr. Vekich's service will share the benefit of his considerable experience at both BNCCORP and BNC National Bank, as well as his past experience as president/chair of the Bank Holding Company Association. As such, the boards of OppFi and OppFi Bank will accordingly be well-equipped to oversee the bank following the acquisition.

OppFi's officers likewise possess material experience in the regulated financial services industry, as well as in banking specifically. OppFi's management team currently operates a large, complex financial organization that is subject to material regulatory requirements, and works extensively with OppFi's existing bank partners. As such, they are broadly aware of the requirements applicable to officers of depository institution holding companies and banks, and are committed to working diligently to continue to develop their knowledge and understanding of specific requirements that apply to their service as officers of a bank holding company and a bank. Importantly, several officers also bring past experience at banking organizations: Christopher McKay held various roles at HSBC, Manuel Chagas served in leadership roles at Discover Financial Services, Pamela Johnson served as Vice President of First of America Bank and CFO of a subsidiary of MidCountry Bank, and Carrie Hagner served as a Fair Lending Officer, Deputy Chief Compliance, and BSA Officer at various institutions (including as Chief Compliance Officer at West Suburban Bank).

Finally, OppFi Bank intends to retain all of the current officers of BNC National Bank, who will have primary responsibility for OppFi Bank's "BNC Powered by OppFi" line of business. OppFi Bank officers will work cooperatively with the retained BNC National Bank leadership, and operation of OppFi Bank will be a true partnership between the various members of the team, regardless of the business line. As in any collaborative work environment, the existing BNC National Bank leadership's expertise will be relied upon in consultation with the incoming OppFi executives, and decision-making will be informed by collective experience.

OppFi currently operates in a regulated environment and is strongly committed to ensuring its compliance with all applicable laws. OppFi intends to integrate its existing robust culture of compliance with that of BNC to ensure that the resulting bank has a strong compliance and governance framework.

In particular, with respect to compliance with the Bank Secrecy Act ("**BSA**") and other applicable anti-money laundering ("**AML**") laws and regulations, OppFi Bank will benefit from a robust BSA/AML compliance program that draws on the experience of both organizations. BNC National Bank is an established insured depository institution with significant experience implementing a BSA/AML compliance framework. The BNC National Bank team will work alongside the OppFi team, under the leadership of Carolyn Hagner, who will serve as Chief Compliance Officer. Ms. Hagner has extensive professional experience in compliance functions across a range of banks and financial institutions, including serving as Director of Compliance/BSA/AML Compliance Officer at HSBC/Household International.

OppFi takes its legal obligations with respect to BSA/AML compliance seriously and expects to devote sufficient resources to OppFi Bank's BSA/AML program and its broader compliance management system. The BNC and OppFi teams will work together on the implementation of integrated policies, procedures, controls, reporting, monitoring, testing, audit, and escalation processes across OppFi Bank's BSA/AML compliance function. This BSA/AML compliance program will leverage BNC's institutional experience, OppFi's experience supporting the BSA/AML programs of its bank partners, and the material experience that OppFi's senior executives bring from their prior roles at regulated financial institutions. It will involve close, day-to-day cooperation between BNC National Bank and OppFi personnel, and will benefit from the robust collaboration that exists in a cooperative work environment.

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

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

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

VIII. Congress's repeal of the OCC's 2020 true lender rule does not preclude the approval of the Acquisition.

The repeal of the OCC's true lender rule[19] using the Congressional Review Act merely returned the analysis of true lender issues to being performed under the body of case law and local laws across jurisdictions. It did not affect the statutory criteria used to evaluate bank acquisition transactions, or otherwise change the eligibility of short-term, small dollar lenders that use a bank partnership model to enter into an acquisition transaction. Nor is it an expression of federal policy regarding bank partnership models generally. Such an acquisition transaction would cause their activities to be directly regulated by the federal regulators that currently oversee their bank partners. Congress has not taken any action to replace the repealed OCC true lender rule with a federal legislative solution. It has also repeatedly declined to impose a nationwide cap on APRs for loans, outside of a few limited circumstances, and has barred the Consumer Financial Protection Bureau by statute from setting a federal usury limit. Treating the repeal of the OCC's true lender rule as an implied amendment to the relevant statutory criteria for bank acquisition

[19] Final Rule, National Banks and Federal Savings Associations as Lenders, 85 FR 68742 (Oct. 30, 2020).

transactions, or as implicit interpretive guidance relating to eligibility for bank acquisition transactions, would be to ignore the substance of what Congress enacted in favor of the policy preferences of the commenters. These preferences should not be implemented in an application proceeding where the Agencies are required to apply Congressionally-enacted statutory criteria, and should not be determinative as to whether or not a particular merger proposal should be permitted which would allow an institution to operate in a manner that is consistent with what federal law authorizes.

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

The short-term, small dollar lending products that OppFi facilitates provide access to credit to individuals – including those in vulnerable or disadvantaged groups – that would otherwise be unable to obtain conventional loan products from banks or credit unions. Regrettably, due to historical, social, and other factors, many people in vulnerable or disadvantaged groups find themselves unable to build or repair their credit history in a manner that would allow them to access conventional loan products. With banks and credit unions often unwilling to extend credit to individuals without a sufficiently robust credit history, these individuals are not choosing between a traditional bank credit product and a short-term, small dollar loan product.[20] Instead, they are forced to choose between a short-term, small dollar lending product, and a payday lender, pawn shop, tribal lender, or overdrawn bank account (and related NSF fees).

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

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

Several commenters have asked the Agencies to take additional procedural steps, namely, extending the comment period associated with the Applications, or holding a public hearing in connection with the relevant Agency's review of the Applications.[21] We respectfully submit that no additional procedural steps are necessary for the Agencies to fully evaluate the Applications, as the standard comment period and application process has generated a substantial and growing public record that is sufficient for such purpose.

---

[20] *See, e.g.*, Softcheck Comment, Davis Comment.

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

Each of the Agencies applies a similar standard in determining whether to grant a public hearing in connection with a pending application. The FDIC generally grants a hearing request only if it determines that written submissions would be insufficient or that a hearing otherwise would be in the public interest.[22] The OCC generally grants a hearing request only if the OCC determines that written submissions would be insufficient or that a hearing would otherwise benefit the decision-making process, and the OCC may order a hearing if it concludes that a hearing would be in the public interest.[23] Requests to the Fed for a hearing must, among other things, explain why a written presentation would not suffice in lieu of a hearing, identify specifically any questions of fact that are in dispute and summarize the evidence that would be presented at a hearing.[24]

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

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

* * * * *

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

Very truly yours,

/s/ Todd Schwartz	/s/ Marv Gurevich
Todd Schwartz Chief Executive Officer	Marv Gurevich General Counsel

cc: Distribution List

[22] 12 C.F.R. § 303.10.
[23] 12 C.F.R. § 5.11.
[24] 12 C.F.R. § 262.3(e).

DISTRIBUTION LIST

Jessica Kaemingk
Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, MO 64106
KC.applications@fdic.gov

Christopher Koopmans
Senior Vice President
Enforcement, Mergers & Acquisitions, and Specialized Functions
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, Illinois 60604
comments.applications@chi.frb.org

Stephen Lybarger
Deputy Comptroller for Licensing
Office of the Comptroller of the Currency
400 7th Street SW
Washington, D.C. 20219
Licensing@occ.treas.gov

U.S. Department of Justice/Antitrust Division
Financial Services, FinTech, and Banking Section
450 5th Street NW, Suite 4000
Washington, D.C. 20530
Antitrust.bank@usdoj.gov

Larisa Collado
Acting Deputy Regional Director
Federal Deposit Insurance Corporation
Division of Risk Management Supervision
300 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
chi.applications@fdic.gov

Jennifer A. Ball
Deputy Regional Director
Federal Deposit Insurance Corporation
Kansas City Regional Office
1100 Walnut Street, Suite 2100
Kansas City, Missouri 64106
KC.applications@fdic.gov

Michael Lewis
Partner
Sidley Austin LLP
1501 K St NW
Washington, D.C. 20005
michael.lewis@sidley.com

Susana Soriano
Assistant Director of Banks & Trusts
Illinois Department of Financial and Professional
Regulation Division of Banking
555 West Monroe Street, 5th Floor
Chicago, Illinois 60661
Susana.Soriano@illinois.gov

Matthew R. Lee, Esq.
Fair Finance Watch
c/o Matthew R. Lee Esq.
P.O. Box 130222
New York, New York 10012
lee@fairfinancewatch.org
innercitypress@gmail.com

James C. Sturdevant
The Sturdevant Law Firm
P. O. Box 151560
San Rafael, California 94915
jsturdevant@sturdevantlaw.com

Linda Jun
Assistant Attorney General
Office of the Illinois Attorney General
115 S. LaSalle St, Fl. 26
Chicago, Illinois 60603
Linda.Jun@ilag.gov

Myanno Miller
Advocacy Associate
Woodstock Institute
67 East Madison
Suite 2108
Chicago, Illinois 60603
mmiller@woodstockinst.org

Tara Flynn
Policy Director
National Community Reinvestment Coalition
740 15th Street N.W., Suite 400
Washington, D.C. 20005
tflynn@ncrc.org

APPENDIX 1

Frequently Asked Questions

Frequently Asked Questions (FAQs)

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

July 2026

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

What is OppFi, and what is its mission?

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

The Economics of Small-Dollar Credit

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

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

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

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

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

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

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

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

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

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

OppFi's Product and Consumer Protections

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

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

What does an OppFi loan cost beyond interest?

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

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

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

Does refinancing trap a customer in a cycle of debt?

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

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

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

How do customers rate their experience with OppFi?

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

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

Reading the Loss Data Correctly

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

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

In contrast, period-over-period financial reporting utilizes the annualized charge-off rate. Because the average duration of an OppFi loan is only about four months (or ⅓ of a year), OppFi's actual charge-offs are multiplied by a factor of 3 when stated as an annual rate. That misleading translates a 20% lifetime loss rate into an annualized rate of about 60%, even though the underlying dollar loss remains identical.

The Bank Charter Application

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

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

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

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

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

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

Does small-dollar lending count toward community reinvestment obligations?

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

How does this merger benefit customers?

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

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

Sources

Chen, Lisa and Gregory Elliehausen. The Cost Structure of Consumer Finance Companies and Its Implications for Interest Rates. Federal Reserve Board, 2020.

Bolen, J. Brandon, Gregory Elliehausen, and Thomas W. Miller, Jr. Effects of Illinois' 36% Interest Rate Cap on Small-Dollar Credit Availability and Financial Well-Being. December 2022. SSRN: 4315919.

Bank Policy Institute. Costs and Pricing of Bank-Provided Small Dollar Loans. 2020.

OppFi Inc. 2025 Social Impact Report.

Financial Health Network. FinHealth Score Methodology and 2025 U.S. Financial Health Pulse.

FDIC. 2023 National Survey of Unbanked and Underbanked Households. November 2024.

Durkin, Thomas and Gregory Elliehausen. Assessing the Price of Short-Term Credit. November 2013.

Consumer Financial Protection Bureau. Taskforce on Federal Consumer Financial Law Report, Volume 1. January 2021.

Federal Deposit Insurance Corporation. Study of Bank Overdraft Programs. November 2008.

Edmiston, Kelly D. "Could Restrictions on Payday Lending Hurt Consumers?" Federal Reserve Bank of Kansas City, Economic Review, First Quarter 2011.

Carter, Susan Payne and William Skimmyhorn. "New Evidence on the Effects of Payday Lending on Military Members." Review of Economics and Statistics, Vol. 99, No. 4, 2017.

Adams, Matthew and John Berlau. The Annual Percentage Rate Is the Wrong Metric for Assessing the Cost of a Short-Term Loan. Competitive Enterprise Institute, April 2021.

Chakrabarti, Rajashri, Daniel Garcia, Donald Morgan, and Lee Seltzer. Less for You, More for Me: Credit Reallocation and Rationing Under Usury Limits. Federal Reserve Bank of New York Staff Reports, no. 1173, December 2025.

Servon, Lisa. The Unbanking of America. Houghton Mifflin Harcourt, 2017.