

Mr. Thomas J. Curry  
Comptroller of the Currency  
Office of the Comptroller of the Currency  
Washington, DC  
[regs.comments@occ.treas.gov](mailto:regs.comments@occ.treas.gov)

January 13, 2017

**Re: Exploring Special Purpose National Bank Charters for Fintech Companies**

Dear Comptroller Curry:

The undersigned consumer, civil rights, and community groups write to express our strong opposition to the proposed new federal nonbank lending charters that would enable lenders to avoid state interest rate caps, other state protections, and state oversight. State laws often operate as the primary line of defense for consumers and small businesses; thus, the proposal puts them at great risk.

**The OCC must not undermine state rate caps.** Interest rate caps are the simplest, most effective way to protect borrowers from unaffordable, high-rate loans and to align the interests of lenders and borrowers. However, given the general absence of federal usury caps, lenders under the OCC's proposal would have no functional limit on the interest rates and related fees they could charge. This would effectively nullify critical existing state rate caps. Today, over 90 million people live in 15 states plus D.C. that enforce rate caps to prevent abusive high-cost short-term loans and collectively save over \$8 billion in high-cost loan fees. Many more states have rate caps on longer term loans: a \$2000, two-year loan that has an APR above 36%, including all fees, would violate the law in 30 states and D.C. Many of these states have never allowed high-cost loans, aggressively enforcing their strict usury limits. Other states used to authorize exemptions to their rate caps, but reversed course because of the damage caused to consumers and their communities. In both cases, states have worked tirelessly over many years to enact and enforce laws to protect against the abuses of high-cost loans and have withstood numerous attempts by unscrupulous lenders to circumvent these protections. The OCC, with the stroke of its pen, will put millions of people and years of state level enforcement at risk of exploitation by high-cost lenders.

**The OCC must not weaken states' ability to oversee lenders and take action to prevent harmful lending practices.** Beyond interest rate caps, the proposal weakens states' ability to protect consumers and small businesses through supervision and enforcement. The OCC's charter proposal enables companies to avoid state licensing regimes and oversight by state regulators and attorneys general. Even where AGs would retain enforcement authority, their ability to investigate abuses would be curtailed. The OCC alone cannot prevent every problem. States are closer to the ground and are more likely to take quick action when problems are still small and local, before abuses become nationwide problems attracting the attention of the OCC. The OCC should not take state law enforcers off the beat of preventing predatory lending.

**The OCC must not undermine efforts to provide fair and inclusive lending practices,** particularly for people of color and low- and moderate-income consumers, in the areas where they operate. While the fintech industry has the potential to encourage innovation, we have also seen costly payday lenders hide behind the costume of "fintech." The OCC's proposal promotes the expansion of questionable lending practices that are not only not subject to state interest rate limits or state-level enforcement, but also

would not be subject to the Community Reinvestment Act's requirement to provide responsible, not predatory, credit.

The OCC's legal authority to charter non-depository lenders unilaterally, without congressional approval, is also doubtful. For all of the above reasons, the OCC should not charter such entities even if it has power to do so.

We very much appreciate your attention to our concerns.

Sincerely,

A New Leaf  
Action Advocacy Law Office  
ACTION Housing Inc.  
Action NC  
Advantage Housing, Inc  
AFSCME Montana Council 9  
Alaska PIRG  
Alexander County Habitat for Humanity  
Allied Progress  
Americans for Financial Reform  
AMOS Project  
Arcade Credit Union  
Arizona Community Action Association  
Arkansans Against Abusive Payday Lending  
Asheville Area Habitat for Humanity  
Baltimore CASH Campaign  
Baltimore Community Real Estate Center, Inc  
Bonnie Wright & Associates  
BPFNA ~ Bautistas por la Paz  
Bread for the World - South Dakota  
Brooklyn Legal Services Corporation  
Bucks County Women's Advocacy Coalition  
CAFE Montgomery MD  
California Reinvestment Coalition  
Cambridge Economic Opportunity Committee  
Carolina Small Business Development Fund  
Catalyst Miami  
Catholic Community Services of Southern AZ

Connecticut Citizen Action Group  
CCCS of WNC, Inc. DBA OnTrack Financial Education & Counseling  
Cedar Grove Institute for Sustainable Communities  
Ceiba  
Center for Economic Integrity  
Center for Housing and Community Studies  
Center for NYC Neighborhoods  
Center for Responsible Lending  
Central Florida Jobs with Justice  
Century Employees Savings Fund CU  
CEO Pipe Organs/Golden Ponds Farm  
Chhaya CDC  
Children First/Communities In Schools of Buncombe County  
Citizen Action/Illinois  
Civil Justice, Inc.  
Clarifi  
Cambridge Neighborhood Apartment Housing Services (CNAHS), Inc  
Coalition on Homelessness & Housing in Ohio  
Coatesville Center for Community Health  
Colorado Center on Law & Policy  
Colorado Coalition for the Homeless  
Community Action Association of Pennsylvania  
Community Action Committee of the Lehigh Valley  
Community Development Network of Maryland, Inc.  
Community Economic Development Association of Michigan (CEDAM)  
Community Empowerment Fund  
Community Investment Fund of Indiana  
Community Law Center, Inc.  
Community Legal Services, Inc., of Philadelphia  
Connecticut Association for Human Services  
Connecticut Fair Housing Center  
Connecticut Legal Services, Inc.  
Consumer Action  
Consumer Federation of America  
Consumer Federation of California  
Consumers for Auto Reliability and Safety

Consumers Union  
CoPIRG  
Covenant House  
CWA  
Demos  
District Council 37 Legal Services  
Durham Regional Financial Center  
Eastside CDC/LEAP  
Eastside Community Development Corporation  
Economic Progress Institute  
Empire Justice Center  
Episcopal Diocese of North Carolina  
Every Child Matters in New Hampshire  
Fair Share  
Fayetteville Area Habitat for Humanity  
Financial Pathways of the Piedmont  
Financial Protection Law Center  
First Unitarian Church of Philadelphia  
Florida Alliance for Consumer Protection  
Florida Alliance for Consumer Protection (FLACP)  
Florida Alliance for Retired Americans  
Florida Consumer Action Network  
Florida Legal Services, Inc.  
Georgia Watch  
Gila County Community Services  
Gowen Consulting  
Granite State Organizing Project  
Greater Yellowstone Central Labor Council  
Greensboro Housing Coalition  
Habitat for Humanity Cabarrus County  
Habitat for Humanity Georgetown County  
Habitat for Humanity New York City  
Habitat for Humanity of Florida  
Habitat for Humanity of Forsyth County  
Habitat for Humanity of Gaston County  
Habitat for Humanity of Greater Greensboro

Habitat for Humanity of Indiana  
Habitat for Humanity of Lancaster County (SC)  
Habitat for Humanity of North Carolina  
Habitat for Humanity of Thomasville NC Area  
Hawaii Appleseed Center for Law and Economic Justice  
Haywood Habitat for Humanity  
Health, Education, and Legal Assistance Project  
Heartland Alliance for Human Needs & Human Rights  
Helping Families In Need  
Henderson County Habitat for Humanity  
Hispanic Baptist Convention of Texas  
Holistic Transformations  
HomeFree-USA  
Homeward  
HOPE of Evansville  
Housing Alliance of Pennsylvania  
Housing and Family Services of Greater New York, Inc.  
Housing Opportunities of Beaver County  
Howard County Office of Consumer Protection  
Illinois Asset Building Group  
Indiana County Community Action Program, Inc.  
Indiana Institute for Working Families  
Innovative Systems Group Inc.  
Irvington Development Organization  
Jacksonville Area Legal Aid, Inc.  
JASA/Legal Services for the Elderly in Queens  
Jesuit Social Research Institute  
Jewish Federation of Greater Seattle  
Just Harvest  
Keystone Progress  
Keystone Research Center  
King Park Development Corporation/Build Fund  
La Fuerza Unida Community Development Corp  
Laborers' Local #1686  
Latino Community Credit Union  
Law Foundation of Silicon Valley

Lazarus Financial Planning, LLC  
Legal Aid Society of Palm Beach County, Inc.  
Legal Aid Society of the District of Columbia  
Legal Services NYC  
Legal Services of New Jersey  
Legal Services of Southern Piedmont  
Lexington Area Habitat for Humanity  
LifeStyles of Maryland Foundation, Inc.  
Lower East Side People's Federal Credit Union  
Lutheran Advocacy Ministry in PA  
Main Street Alliance  
Maine Center for Economic Policy  
Making Work Pay PA Coalition  
MakingChange, Inc.  
Maryland CASH Campaign  
Maryland Consumer Rights Coalition  
MASSPIRG  
MFY Legal Services, Inc.  
Michigan Coalition Against Homelessness  
Military Assistance Project  
Mission Asset Fund  
Mississippi Center for Justice  
Missoula Area Central Labor Council, AFL-CIO  
Missouri Faith Voices  
Montana Organizing Project  
Montgomery County Community Action Development Commission  
Montgomery County, Maryland Community Action Board  
Mothers and Families of Murdered Children  
Mountain State Justice  
Northern Arizona Council of Governments  
National Development Council  
National Association for Latino Community Asset Builders  
National Association of Consumer Advocates  
National Association of Social Workers, West Virginia Chapter  
National Center for Law and Economic Justice  
National Coalition of 100 Black Women, Phoenix

National Consumer Law Center (on behalf of its low-income clients)  
National Council of La Raza  
National Fair Housing Alliance  
National Rural Social Work Caucus  
NC AFL-CIO  
NC Council of Churches  
NC Justice Center  
NC Rural Center  
Near West Collaborative  
Neighborhood Economic Development Corp  
Neighborhood Trust Financial Partners  
NeighborWorks Great Falls  
New Economy Project  
New Hampshire Legal Assistance  
New Jersey Citizen Action  
NHS of Baltimore  
North Carolina Assets Alliance  
North Carolina Conference of the United Methodist Church  
North Carolina Consumers Council  
North Carolina PIRG  
North Carolina Veterans Council  
North Dakota Economic Security and Prosperity Alliance  
Northwest Indiana Reinvestment Alliance  
NY StateWide Senior Action Council  
NYPIRG  
Ohio Valley Environmental Coalition  
Oklahoma Policy Institute  
One Colorado  
OneAmerica  
Open Hearth, Inc  
Opportunity Alliance Nevada  
OptInference LLC  
Oregon Food Bank  
Our Savior Lutheran Church & Campus Ministry  
PathWays PA  
Pennsylvania Council of Chapters, Military Officers Association of America

Pennsylvania Council of Churches  
Pennsylvania Public Interest Research Group  
Pennsylvania War Veterans Council  
People's Action  
PICO National Network  
Pisgah Legal Services  
Progressive Congress Action Fund  
Progressive Leadership Alliance of Nevada  
Prosperity Indiana  
Public Good Law Center  
Public Interest Law Center  
Reinvestment Fund  
Reinvestment Partners  
Rural Dynamics, Inc  
Sargent Shriver National Center on Poverty Law  
SC Appleseed  
South Baltimore Partnership  
South Carolina Association of Habitat Affiliates  
South Dakotans for Responsible Lending  
Southern Poverty Law Center  
Southwest CDC  
St Barnabas Episcopal Church  
Statewide Poverty Action Network  
Systemic Change Team, Unitarian Universalist Church of the North Hills  
Tennessee Citizen Action  
Texas Appleseed  
Texas Legal Services Center  
The Capital Good Fund  
The Collaborative  
The Interfaith Alliance of Colorado  
The Leadership Conference on Civil and Human Rights  
The Midas Collaborative  
The One Less Foundation  
The Working World  
Thermal Belt Habitat for Humanity  
Thrive Alliance



Union-Snyder Community Action Agency  
Unitarian Universalist Legislative Advocacy Network (UUPLAN)  
Unitarian Universalist Pennsylvania Legislative Advocacy Network (UUPLAN)  
United Methodist Advocacy in Pennsylvania  
United Valley Interfaith Project  
United Way of Erie County  
United Way of Frederick County  
United Way of Greater Greensboro  
United Way of the National Capital Area  
Upper Yadkin Valley Habitat for Humanity  
Urban Affairs Coalition  
Urban Asset Builders  
Urban Community AgriNomics  
Urban Homesteading Assistance Board  
Virginia Citizens Consumer Council  
Virginia Organizing  
VOCAL-NY  
Washington Asset Building Coalition  
Washington Heights and Inwood Development Corporation  
Washington Low Income Housing Alliance  
Washington Student Association  
West Virginia Center on Budget and Policy  
West Virginia Citizen Action Group  
West Virginians for Affordable Health Care  
Westchester Residential Opportunities Inc.  
Westminster Economic Development Initiative, Inc.  
Westmoreland Community Action  
Wilson Area Habitat for Humanity  
Woodstock Institute  
Yakima County Asset Building Coalition