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Re: Application of Application of Opportunity Financial ("OppFi") to acquire BNC National Bank, FDIC No. #20260654, OCC 2026-Combination-3446751, Federal Reserve Board, 91 Fed. Reg. 42961 (July 13, 2026)

Dear Sirs and Madams,

Thank you for the opportunity to submit these comments on behalf of the low-income clients of the National Consumer Law Center (NCLC) on the application by Opportunity Financial ("OppFi") to acquire BNC National Bank, to become a bank holding company, and to secure other approvals to consummate the merger. Since 1969, the nonprofit National Consumer Law Center® (NCLC®) has worked for consumer justice and economic security for low-income and other disadvantaged people in the U.S. through its expertise in policy analysis and advocacy, publications, litigation, expert witness services, and training.

We urge the Federal Deposit Insurance Corp. ("FDIC"), Office of Comptroller of Currency ("OCC") and Federal Reserve Board ("FRB") (collectively, "bank regulators" or "federal bank regulators") to deny the applications. OppFi's business model is irresponsible, predatory, risky, not safe or sound, does not meet the conveniences or needs of the community, and may not result in effective anti-money laundering activities.

We also urge the bank regulators to request additional information detailed below on OppFi's lending practices and to hold public hearings. In addition, the bank regulators should make OppFi's applications public and grant a further comment period of at least 30 days from publication of the applications.

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Introduction and Summary

OppFi targets struggling borrowers with high-rate installment loans as high as 195% APR. Loans at OppFi's rates are banned in up to 45 states, depending on the size of the loan. OppFi also seeks to expand its lending to include short-term payday loans ("earned wage access") and lines of credit. OppFi is transparent that it seeks a national bank charter so it can make high-cost loans in all 50 states regardless of state law.

OppFi's loans are predatory, irresponsible, unsafe and unsound and do not belong in the banking system. OppFi has charge-off rates that exceed 55%. The high charge-offs and abusive lending practices that characterize OppFi's lending would not be tolerated in traditional bank lending and should be grounds for denying an application to acquire a national bank. OppFi makes unaffordable loans that borrowers are not able to repay on their original terms. It targets borrowers with low credit scores and is far more likely to harm than to help their credit history. OppFi has abusive refinancing practices that prolong unaffordable loans and increase costs for little additional credit. OppFi's lending poses a high risk of violating consumer protection and other laws, including those governing unfair, deceptive or abusive practices, debt collection, credit reporting, fair lending, military lending, privacy and data security, know-your-customer, and community reinvestment requirements.

OppFi violates the principles of responsible lending that the bank regulators have developed over decades, including the Interagency Guidance for Responsible Small-Dollar Loans approved in 2020 during President Trump's first term. OppFi engages in predatory, unfair, or deceptive practices that, in the OCC's words, should be "eliminate[d] … in the federal banking system"' and should not be allowed to come in through the front door.[1]

OppFi has faced state enforcement and private litigation, and undoubtedly wants a national bank charter as a shield. But that is not an appropriate reason to grant a bank charter. The national bank charter should not be turned into a vehicle for allowing predatory lenders to avoid the interest rate caps of virtually every state, and OppFi should not be allowed to use a chart to avoid accountability for its predatory, unfair, deceptive and unconscionable practices beyond its high rates.

OppFi's desire to expand to short-term payday loans (so-called "earned wage access") is also deeply concerning. The bank regulators have long warned of the unsafe and unsound nature of payday loans. To approve this charter is to approve the deliberate use of a bank charter to make payday loans. Approving this application could set a precedent for other payday lenders to seek to acquire national bank charters, and would turn that charter into a vehicle for predatory lending and evasion of state consumer protection laws.

OppFi's plan to offer lines of credit, undoubtedly at high interest rates and potentially with opaque and deceptive pricing through fees, risks national bank imprimatur of deeply abusive practices seen at similar high-rate lenders.

OppFi also has questionable anti-money laundering compliance, with many consumers complaining about loans in their name that they did not take out. That is yet another ground to seriously question this application.

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[1] OCC, National Banks and Federal Savings Associations as Lenders, 85 Fed. Reg. 68742, 68746 (Oct. 30, 2020).

Approval of OppFi's applications would also deeply injure and threaten the national bank charter. Allowing predatory lending to take place in the name of a national bank would endanger the public trust on which banks rely and would threaten the financial stability of banks' deposit and credit customers, risking defaults and charge-offs. OppFi's application has also led to calls to pass legislation to end bank preemption rights, which we would welcome but would likely concern banks.

A national bank charter is a privilege, not a right. OppFi's lending is not responsible, safe or sound, it does not meet the conveniences or needs of the community, and that type of lending should not be allowed under a national bank charter.

1. OppFi's High-Cost Current and Anticipated Lending Practices

1.1. OppFi charges Usurious, Unaffordable Interest Rates That are Prohibited in Most States

OppFi offers online installment loans of $500 to $5,000 with 9- to 18-month terms.[2] Its standard loan was previously 160% APR. It currently provides an APR range of 99% to 195% in most states, though only up to 179% APR in a few.[3] OppFi gives these examples of the loans it makes:

- $2,000, 160% APR, 9 monthly payments of $394.58 (for a total of $3,551.22)
- $3,000, 160% APR, 12 monthly payments of $514.60 (for a total of $6,175.20)
- $4,000, 160% APR, 18 monthly payments of $595.14 (for a total of $10,712.52)[4]

The amount of interest charged on those loans is staggering – $1500 over only 9 months for a struggling borrower repaying a $2000 loan, and exceeding the loan itself for larger loans.

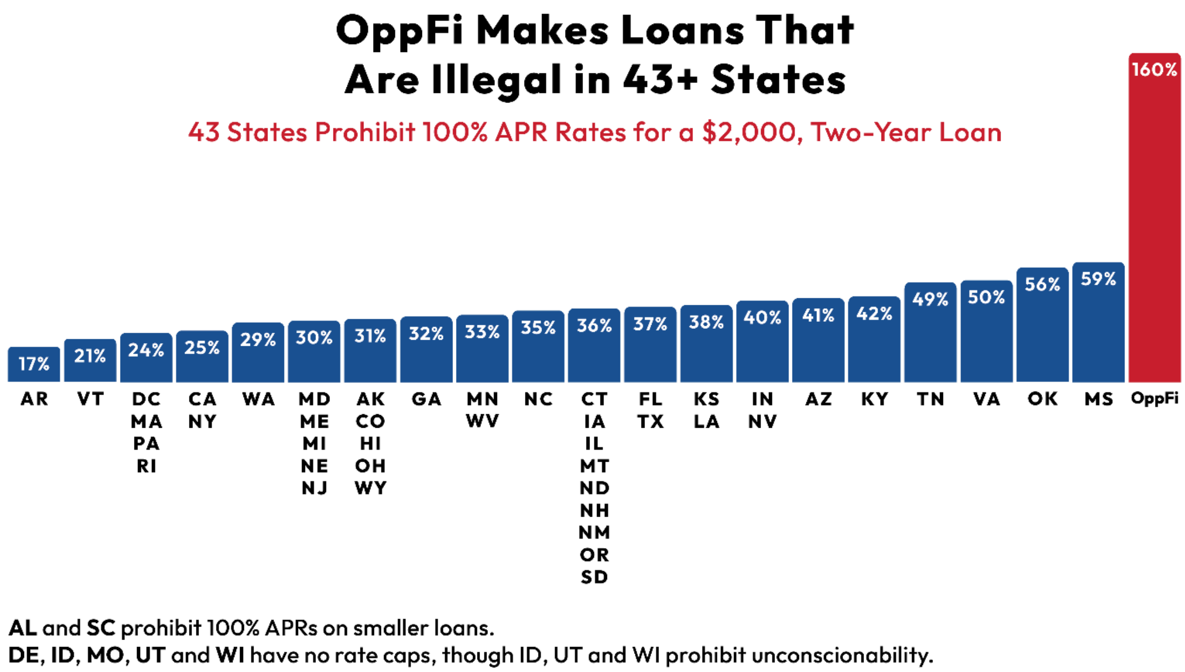
OppFi originally offered its loans through state licenses in some states, confining its rates and loan sizes to those permitted in the state. In other states, OppFi offered loans through rent-a-bank schemes, laundering its loans through bank partners to attempt to evade state rate caps.[5] OppFi has now transitioned to a model where all loans are originated through banks, though the bank retains only 2% to 5% of the loan receivable OppFi purchases about 96% of the receivables and the bank's role is minor compared to OppFi's.[6]

However, due to the questionable legality of its rent-a-bank program, OppFi does not lend in every state. OppFi currently offers loans in 39 states and generally stays out of states that have a history of challenging evasions of their usury laws. (OppFi is also currently in litigation with the State of California.[7])

OppFi's loans, even at their "low" end of 99% APR, are prohibited in up to 45 states, depending on the size of the loan. Of the 43 states that regulate the rates on a $2,000 loan, two-year installment loan, the highest rate permitted is 59% APR, and the median is 34% APR.[8] That is,

[2] OppFi, Rates, Terms and Licenses (last visited July 22, 2026).
[3] *Id.*
[4] *See, e.g.,* Installment Loans in Alabama | Rates and Terms | OppLoans (last visited July 22, 2026).
[5] *See* NCLC, High-Cost Rent-a-Bank Loan Watch List (updated July 21, 2026).
[6] *See* Cross-Complaint For: (1) Violation of the California Financing Law; (2) Violation of the California Consumer Financial Protection Law, Opportunity Fin., LLC v. Hewlett, No. 22STCV08163 (Sup. Ct. Cal. Apr. 8, 2022).
[7] *See* Opportunity Fin., L.L.C. v. Hewlett, No. 22STCV08163 (Cal. Super. Ct. May 19, 2026), *appeal filed* (Cal. Ct. App. July 21, 2026).
[8] NCLC, Fact Sheet: State Annual Percentage Rate (APR) Caps for $500, $2,000, and $10,000 Installment Loans (Dec. 18, 2025) ("NCLC, APR Caps").

OppFi's rates are more than twice the highest rate permitted in those states and over four times the median rate. Not a single state that has considered the highest appropriate rate for a $2,000 loan has allowed rates anywhere close to OppFi's.



Two additional states, Alabama and South Carolina, do not cap the rates on $2,000 loans. But Alabama limits the rates on loans up to $2,000; the maximum rate on a $1,000, one-year loan is 64% APR.[9] South Carolina's rate limit, which applies to loans up to $600, allows only 58% APR for a $600, 9-month loan.[10] Thus, OppFi offers loans that are prohibited in 45 states.

Even on smaller loans, where rate caps tend to be higher, nearly every state prohibits OppFi's rates. Of the 45 states that limit the rates on a $500, 6-month installment loan, the median rate is 39.5% APR and only two permit rates over 160% APR.[11] The maximum rate permitted would be even lower in many states with OppFi's minimum term of 9 months, as any fees would be spread out over a longer period.

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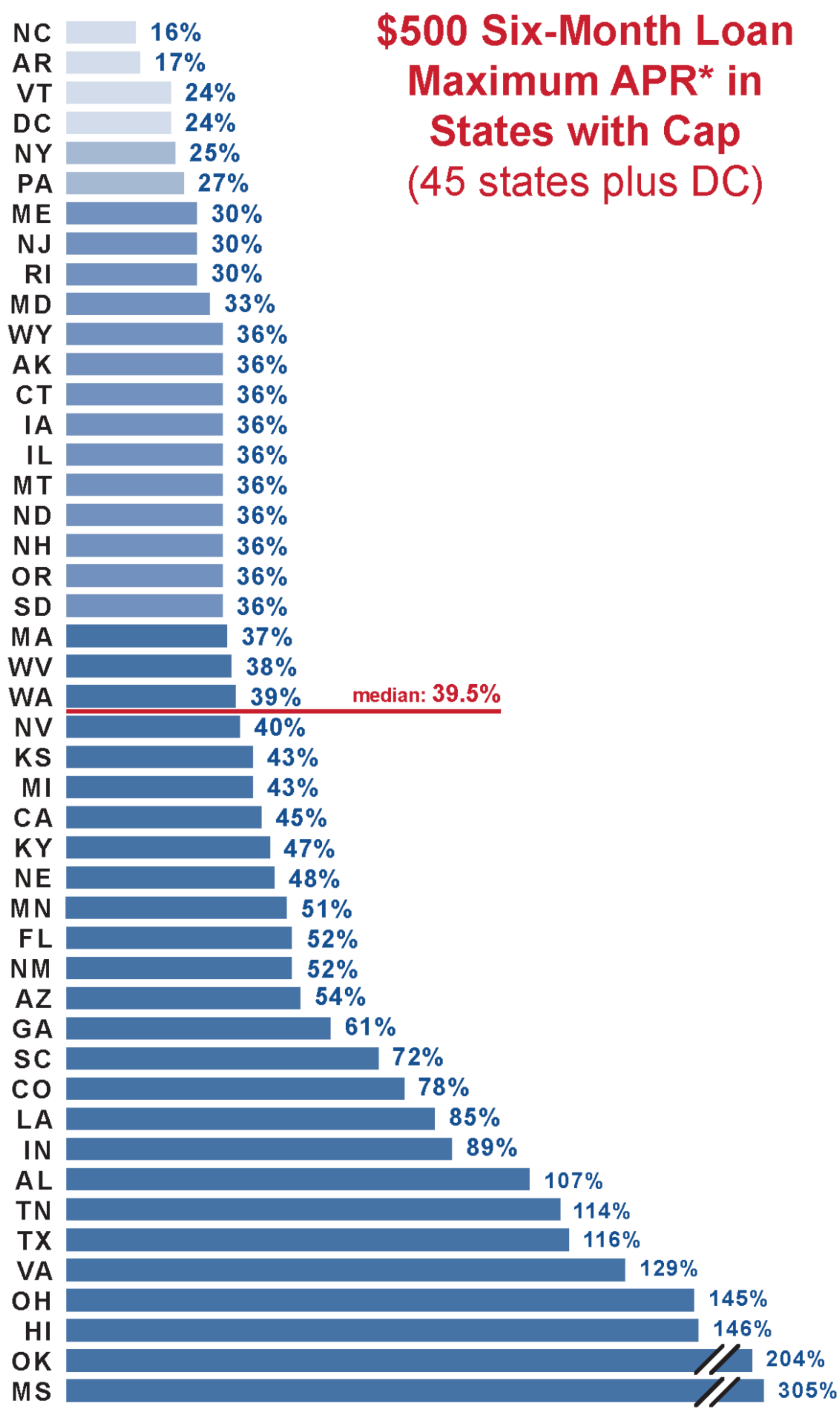
[9] Ala. Code § 8-8-14(a). For loans less than $2,000, the state permits add-on rates of $15 per $100 per year for the first $750, plus $10 per $100 per year for the remainder. In addition, the lender may charge an interest surcharge of 6% of the first $2,000 of the amount financed. Including all those costs, NCLC computes an APR of 64% for a one-year, $1,000 loan.

[10] S.C. code Ann. § 37-3-201(c). For loans of $600 or less, South Carolina permits $25 per $100 per year, plus 7% of cash advance or $56, whichever is less. Including those costs, NCLC computes an APR of 58% for a $600, 9-month loan.

[11] NCLC APR Caps, *supra*.



No cap except unconscionability**: **ID, UT, WI**

No cap: **DE, MO**

1.2. OppFi's Planned Expansion Into Earned Wage Payday Loans Could Bring Abusive Payday Loans to Every State

Beyond the installment loans that OppFi presently offers, OppFi has stated in an investor presentation that the BNC Bank acquisition will allow it to expand into at least three additional products: earned wage access, lines of credit, and small business lending.[12]

So-called "earned wage access" is a form of short-term, balloon-payment payday loan: funds are advanced ahead of payday and are repaid from payroll or the borrower's bank account a few days later on payday.[13] Earned wage payday loans have very high APRs, frequently over 200% and often as high as 800% or higher.[14] Fees are supposedly voluntary, but free options are slow, inconvenient and hard to access; data regularly show that about 90% of loans carry fees.[15]

Earned wage payday lenders have various arguments why their loans are not loans and their fees and costs are not interest or finance charges. But to date, 15 out of 15 courts have rejected those claims.[16] Many of those courts have directly found that earned wage payday loans fit the description of payday loans covered by the Truth in Lending Act.[17]

With a bank charter, OppFi could offer earned wage payday loans without even worrying about disguising the fact that the loans are loans. It could charge mandatory fees directly, because it could ignore the state laws that prohibit or limit the rates of payday loans or small dollar loans. For example, one major provider of a cash advance product similar to earned wage access, Dave, operates through a bank partner and makes its fees mandatory.[18]

Indeed, OppFi Bank could even charge higher rates than payday lenders. The typical payday loan rate of $15 per $100 for a two-week loan is 391% APR. But earned wage payday lenders frequently push multiple, very small loans for only a few days, which can reach 750% to 800% APR or even higher.[19]

Like traditional payday loans, earned wage payday loans lead to a cycle of debt. The balloon payment required very quickly after taking out the loan leads to a hole in the next paycheck, leaving the borrower short of funds. That triggers a need to borrow again in a never-ending cycle. The average borrower takes out earned wage payday loans on average once or more every single paycheck, roughly 36 times a year, with many taking out over 100 loans a year.[20]

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[12] OppFi, Investor Presentation, Slide 8 (June 2026).
[13] *See* Letter to Rep. Steil from 226 Labor, Civil Rights, Consumer, Legal Services and Community Groups and Academics opposing H.R. 9330 (June 29, 2026).
[14] NCLC, MoneyLion's Costly "0% APR" "Earned Wage" Payday Loans (May 22, 2025); NCLC, DailyPay Extracts Hundreds of Dollars From Low-Wage Workers' Pay (May 8, 2025); NCLC, Data on Earned Wage Advances and Fintech Payday Loan "Tips" Show High Costs for Low-Wage Workers (Apr. 10, 2023).
[15] *Id.*
[16] NCLC, Courts Reject Claims that Payday Loan Apps Don't Offer Loans (updated July 2026).
[17] 12 C.F.R. pt. 1026, Supp. I, Paragraph 2(a)(14) Credit, ¶ 2 ("Payday loans; deferred presentment"); *see, e.g.,* Ramirez, et al. v. Activehours, Inc., 828 F.Supp.3d 1040, 1046 (N.D. Cal. 2026).
[18] *See* Up to $500 in 5 min or less (last visited July 23, 2026) (banking services provided by Coastal Community Bank; fee is equal to the greater of $5 or 5%). Dave uses a different evasion than earned wage payday lenders, claiming its fees are "overdraft fees" and thus not finance charges. *See* NCLC et al., Comments in Support of CFPB's Proposed Interpretive Rule on Earned Wage Advances at 18-22 (Aug. 30, 2024).
[19] *See supra* note 14.
[20] *Id.*

With so many loans, costs multiply. Many people pay hundreds of dollars a year in fees on earned wage payday loans.[21] In addition to direct fees, research shows that earned wage payday loans increase overdraft fees[22] and nonsufficient funds fees.[23] Borrowers are also likely to use multiple earned wage payday loan apps and increase their use of regular payday loans after starting to use earned wage payday loans.[24]

There is no reason to think that OppFi's earned wage payday loans would be any different than others on the market today except in ways that are worse. As noted above, OppFi Bank could charge high, mandatory fees. OppFi Bank could also omit some of the features that other lenders use to argue that they are not making loans, such as providing a right to revoke payment authorization, stating that there is no obligation to repay, and refraining from using third-party debt collectors, suing, or selling debt to debt buyers. OppFi would not have to deny that it is making loans as it would be free from state rate caps regardless.

1.3. OppFi's lines of credit could be an especially abusive product.

While OppFi's investor presentation does not state the rate that it plans to charge on its lines of credit, there is no reason to think that the rates would be materially lower than for its installment loans. High-cost loans structured as open-end credit are an especially abusive product for several reasons:

- The APRs on high-cost lines of credit tend to be disguised and deceptive, with obscure and complex fee structures as the primary cost of the credit instead of a transparent periodic interest rate.
- The payment amounts are not clear, with the amount of the monthly or biweekly payment varying based on the outstanding credit and the fees applied.
- The amount of time needed to pay off a credit extension is unclear and often deceptive.
- With no clear end date and payments that go primarily to fees with little principal reduction, high-cost lines of credit trap people in endless debt.[25]

The lines of credit offered by another high-cost lender attempting to purchase a national bank, Enova, illustrate these concerns.[26] For Enova's NetCredit lines of credit, instead of charging and disclosing a transparent APR, it offers completely opaque and deceptive pricing with an initial cash advance fee of 10% of the advance plus a "Statement Balance Fee" at the end of each biweekly or monthly billing cycle.[27] No APR is disclosed, and the display of information about a single payment could lead a consumer to confuse the 2.5% statement balance fee, or the 10% cash advance fee, with the APR. Even the author of these comments, a consumer law expert, struggles to calculate the APR, but it is likely well over 100%.

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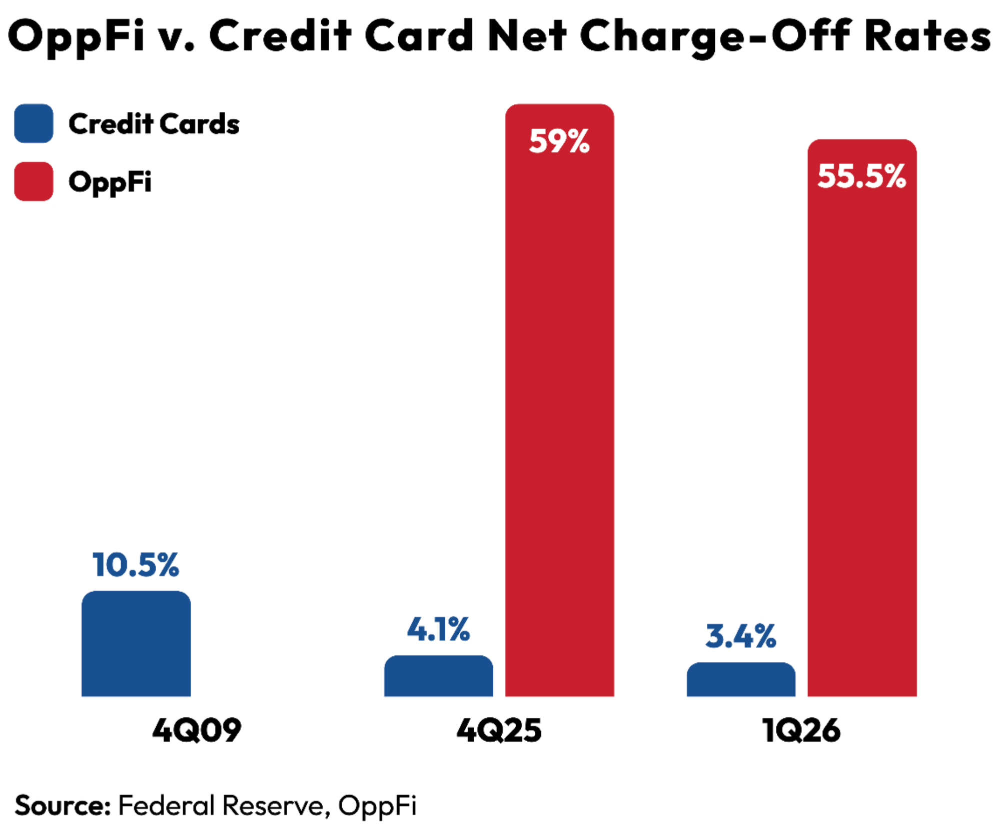
[21] *See id.*; NCLC, The Affordability Problem of Earned Wage Payday Loans (Feb. 19, 2026).
[22] Lucia Constantine et al., Center for Responsible Lending, Not Free: The Large Hidden Costs of Small-Dollar Loans Made Through Cash Advance Apps (Apr. 3, 2024) ("CRL, Not Free").
[23] Center for Responsible Lending, November 2025 EarnIn Study Shows the Harms of Payday Loan Apps.
[24] CRL, Not Free, *supra*; Center for Responsible Lending, A Loan Shark in Your Pocket: The Perils of Earned Wage Advance (Oct. 14, 2024) ("CRL, A Loan Shark in Your Pocket").
[25] *See* NCLC, Statement of Policy Regarding Prohibition on Abusive Acts or Practices at 3-6 July 3, 2023).
[26] NCLC, Comments on the Application to Charter Enova Interim Bank & Acquire Grasshopper Bank at 3, 5-7 (Feb. 27, 2026).
[27] *See* net credit rates and terms (last visited July 14, 2026) (select "Line of Credit").

Many consumers have been confused and deceived by these and similar high-cost lines of credit, complaining that the credit is unaffordable and traps them in unending debt.[28] OppFi Bank's lines of credit would likely face the same issues.

2. OppFi's Lending Practices Are Irresponsible, Risky, Unsafe and Unsound

2.1. OppFi makes unaffordable loans that borrowers are not able to repay on their original terms.

Appropriate underwriting for ability to repay is a core requirement of safe, sound and responsible lending.[29] Yet OppFi's public filings show shockingly high annualized net charge-off rates of over 55%.[30] OppFi's 55.5% net charge-off rate in the first quarter of 2026 is more than 14 times the 3.4% credit card charge-off rate and even 10 times the peak 10.5% credit card charge-off rate in the fourth quarter of 2009 due to the Great Recession.[31]



[28] *See supra* notes 25, 26.
[29] National Consumer Law Center, *Federal Ability-To-Repay Requirements for Small Dollar Loans* (Nov. 1, 2021), Federal Ability-To-Repay Requirements for Small Dollar Loans - NCLC.
[30] *See* cross river IQ, Q4 Consumer Lending Review (May 27, 2026) (59% net charge-off in 4Q25, 55.5% in 1Q26); Alex Horowitz & Chase Hatchett, Pew Charitable Trusts,Rent-a-Bank Payday Lenders' New Filings Show 55% Average Loss Rates (Jan 9, 2023).
[31] Board of Governors of the Federal Reserve System, Charge-Off and Delinquency Rates on Loans and Leases at Commercial Banks.

Even considering the fact that OppFi's borrowers are heavily subprime, these are astounding differences. In fact, a New York Federal Reserve Bank analysis that tracked lifetime average charge-off rates to credit card borrowers in different FICO score ranges found only an 8% to 10% net charge-off rate for the borrowers with 600 to 650 FICO scores.[32] Even the cohort default rate for credit card borrowers with the lowest 600 FICO scores was only 11.9%.[33]

Charge-off rates at OppFi's levels show per se unsafe and unsound practices and should not be allowed for a national bank – or for any bank seeking deposit insurance. It is hard to imagine that there is a single national bank today that has charge-off rates that come anywhere close to that level.

Charge-offs are only the tip of the iceberg of unaffordable lending. Even if they do not charge off, many borrowers pay late, incur late fees or overdraft fees from automated payments made when the consumer has insufficient funds, or are unable to meet other payment obligations when OppFi payments leave them without the funds needed for necessities. Late payments reported to credit bureaus harm their credit scores.

Here are a few examples of complaints about OppFi submitted to the Consumer Financial Protection Bureau (CFPB):

> **Washington, # 20915877, 4/1/2026**
>
> "I'm a father of three boys age XXXX XXXX and XXXX I currently facing financial hardship as I turn to the lender I was approved for a loan of {$2500.00} Making payment of {$230.00} every two weeks this is very hard for me…. I notice that they said after getting a loan of {$2500.00} I should pay back about {$4700.00} This was not the reason I took the loan and they are causing me more financial distress I was XXXX this company for making my life, and my family in XXXX"
>
> **Alabama, # 10374176, 20/7/2024**
>
> "I took out this loan to bury my XXXX because he had no insurance or anything else. I have to pay XXXX every XXXX weeks, I have paid XXXX (XXXX payments) and they stating that I still owe XXXX??? The original loan amount was only XXXX definitely believe that I have been tricked into accepting this "" Predatory lending ''!!! So they are taking my payments and not putting anything or very little, (XXXX or XXXX dollars) towards the principal part of the loan.
>
> I think this is so unfair, because I'm having to do without food, medication, etc because of this "" Extremely '' high interest they are charging me!
>
> I have XXXX XXXX, and my medicine is very high, If I would have known that this company was gon na take advantage of me because I needed funds for my brother 's service, I definitely would have never used them, But everything looked legit online.

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[32] Itamar Dreschsler et al., Federal Reserve Bank of New York Staff Reports, Credit Card Banking at 35 (Oct. 2025). The study looked at cohorts that originated between January 205 and December 2017 and tracked them until December 2023.

[33] *Id.* at 5.

PLEASE reach out to them and see if they can do anything to help me with this loan, maybe refinancing at a lower rate that I can afford?

I know there are good people in this world, and hopefully some of the owners of this company will have enough XXXX to make this right for me, I'm going through a very rough time because of this loan, Please help me with this issue. “

Virginia, # 19416027, 2/11/2026

“In XX/XX/XXXX, I obtained a {$2600.00} installment loan requiring weekly payments of {$110.00} at an XXXX of approximately 160 %.

Since XX/XX/XXXX, I have made multiple weekly payments as agreed. However, my payment history reflects extended periods during which cleared payments were applied entirely to interest, with {$0.00} applied toward principal reduction….

In each of these instances, despite timely payments being made, the principal balance did not decrease. As a result, after months of consistent payments, the outstanding principal has remained largely unchanged for extended periods of time….”

Florida, # 11477327, 1/12/2025

"In XX/XX/year>, I took out a {$2000.00} loan from OppLoans to cover overdue HOA payments, as HOA rates across Florida had more than doubled, leaving me in a desperate situation to prevent foreclosure on my home. While I have consistently made payments on the loan, the terms essentially resembling those of a payday loan have created a financial trap with no end in sight.

The interest rate on this loan is an astronomical 178.51 %, resulting in {$1600.00} in finance charges and interest. This excessive rate has made repayment unsustainable and feels grossly unfair, especially since I have already paid back the {$2000.00} principal. Asking me to pay nearly {$2000.00} in additional charges is unreasonable and appears to be predatory and exploitative.

I urgently need help to address this situation…. This loan has become a significant financial burden that far exceeds what is reasonable or ethical, and I need assistance to resolve this injustice fairly and equitably."

Lending to subprime borrowers is not an excuse for lending without regard to ability to repay. Access to credit is responsible only if the credit is affordable and does not leave the borrower worse off. The federal banking agencies have repeatedly warned lenders against irresponsible subprime lending, as detailed below,[34] and a lender with these practices should not be admitted into the banking system.

2.2. OppFi has abusive refinancing practices that prolong unaffordable loans and increase costs for little additional credit.

OppFi’s refinancing practices are abusive. Frequent refinancing disguises defaults, prolonging debt and unaffordable loans. The practice pushes consumers to incur high additional interest

[34] *See* NCLC, Federal ability-to-repay requirements for small dollar loans and other forms of non-mortgage lending (Nov. 2021).

charges for little additional credit. Trapping borrowers in debt through automated repayments and frequent refinancing is the basis of OppFi's profit model.

Refinancing can disguise default rates. A loan that is refinanced was theoretically paid off, and the additional credit provided can put off the default for a period of time. The new loan may eventually default but not immediately. Refinancing, especially of high-cost loans, can be abusive as it increases consumer debt, prolongs the period of indebtedness, and adds high amounts of interest for very little additional credit.

High-cost lenders like OppFi may even prefer borrowers who default over those who have the capacity to repay and who thus may repay early, reducing their interest charges. A report on another high-cost lender similar to OppFi shows how refinancing can disguise defaults and perpetuate unaffordable lending while having staggering default rates.[35]

In 2021, the District of Columbia Attorney General's ("DC AG") office sued OppFi both for violating DC's interest rate limits and for a variety of deceptive and abusive practices.[36] OppFi ultimately agreed to a $2 million settlement.[37] Among the conduct challenged was OppFi's refinancing practices. DC's investigation found that about half of OppFi consumers refinance and 75% of OppFi's net income comes from refinancing. DC's complaint alleged:

> 36. In addition, OppFi fails to disclose material information when it reaches out to existing qualifying customers to invite them to refinance their loans. Customers are qualified to refinance OppLoans if they have paid the lesser of 15% of their principal balance or $400.
>
> 37. These refinances provide limited funds to consumers because they only provide consumers with the amount of funds that they have already paid off. For instance, if a consumer's first loan was for $1000, and the consumer paid off $200 in principal, the consumer would receive only $200 in the refinance, to bring the new principal balance back to $1000.
>
> 38. Approximately half of OppFi customers refinance their loans, with the average customer refinancing more than two times. In its solicitations, OppFi presents refinancing as a simple way for consumers to get more money. For instance, one solicitation touts: "Refinancing might sound complicated but it's actually pretty simple. To 'refinance' just means applying for a second loan to pay the balance of your existing loan and provide you additional funds."
>
> 39. In its solicitations, OppFi fails to mention that refinancing a current loan is often more expensive than simply obtaining a second loan. For example, a consumer with an OppLoan for $1200 at a 160% APR who refinanced her loan after paying $258 in principal (receiving $258 in cash through the refinance) would pay a total of $1336.09 in

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[35] National Consumer Law Center, Misaligned Incentives: Why High-Rate Installment Lenders Want Borrowers Who Will Default (July 2016), Misaligned Incentives: Why High-Rate Installment Lenders Want Borrowers Who Will Default - NCLC; Proposed Statement of Decision After Court Trial, De La Torre v. CashCall, No. 19CIV01235 (Sup. Ct. Cal. Nov. 17, 2022).

[36] *See* DC Office of the Attorney General, Press Release, AG Racine Sues Online Lender for Making Predatory and Deceptive Loans to 4,000+ District Consumers (Apr. 6, 2021).

[37] DC Office of the Attorney General, Press Release, AG Racine Announces Over $2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers (Nov. 30, 2021).

interest as a result of the refinance. However, if that same consumer simply took out a second loan for $258, she would pay $1088.93 in combined interest on the two loans.

40. OppFi pushes consumers to refinance because these loans are less expensive for OppFi (despite being more expensive for the consumer) since OppFi does not have to incur the marketing and acquisition costs for these existing customers. Indeed, 75% of the pre-tax income that OppFi makes from OppLoans consumers is the result of refinancing.[38]

A study by the Center for Responsible Lending of transactional data in borrower bank accounts uncovered examples of OppFi borrowers caught in an unaffordable cycle of refinancing.[39] Approximately 34% of OppFi borrowers refinanced their loan at least once. On average, borrowers who refinanced their OppFi loan refinanced two times, while 10% had five or more refinances.[40] The median consumer refinanced after only three months. Even though OppFi's maximum loan term is 18 months, some borrowers were in continuous, uninterrupted debt for several years due to refinancing.

OppFi's refinancing practices, combined with its high rates, are a key reason why many consumers complain of paying endlessly with little reduction in principal. Below are a few examples of complaints submitted to the CFPB showing how OppFi's refinancing practices harmed borrowers.

North Dakota, # 17389498, 11/20/2025

I am filing a complaint regarding a high-cost installment refinancing loan … serviced by Opportunity Financial LLC XXXX OppLoans). I am a XXXX XXXX XXXX and signed the most recent refinancing agreement on XX/XX/year>, for {$3200.00} at an APR of 159.13 %. Of this financed amount, only {$400.00} was provided to me as new funds while {$2700.00} was used to refinance an existing OppLoans balance. This loan structure resets the interest cycle and prevents meaningful reduction of principal.

Over the past XXXX months, I have paid OppLoans a total of {$10000.00}, yet I have received very little net benefit due to repeated refinancing cycles and high interest charges. On this current loan alone, I have paid {$1500.00} so far, yet the remaining amount owed is still thousands of dollars….

I have repeatedly asked OppLoans to negotiate or settle this balance without defaulting and have been told that no settlement options are available unless the loan goes into collections. This appears to incentivize default rather than allow responsible repayment….

This loan was marketed as a financial solution but functionally increased long-term debt cost and prevented payoff progress.

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[38] Complaint for Violations of the Consumer Protection Procedures Act, Dist. of Columbia v. Opportunity Financial, LLC, at 9-10, No. 2021 CA 001072B (Sup. Ct. DC Apr. 6, 2021). ("DC v. OppFi").

[39] Center for Responsible Lending, Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt (Jan. 27, 2026).

[40] *Id.* at 7.

California, #18975513, 1/24/2026

> It's becoming hard to keep up with the payments of this loan. I got it as a refinance to a previous loan. The interest charged is an exorbitant amount, to the tune of 159.22 %. By the end of the payment terms if paid on time would be more than double what the refinance amount is ({$3000.00}), if not almost triple ({$8000.00}). As it was it was already hard keeping up with the previous one but this one is just ridiculous.

This type of abusive refinancing is exactly what bank regulators have fought for decades, as discussed below.

2.3. OppFi targets borrowers with bad credit and low credit scores, and is far more likely to harm than to help credit history.

OppFi targets struggling borrowers with low credit scores. It promotes its products for people with "bad credit" and touts the fact that it does not rely solely on FICO scores or credit history.[41] OppFi's business model is clearly not based on making affordable, sustainable loans the borrower can repay. Making high-cost loans to people with low credit scores is likely to have a particularly disproportionate impact on borrowers of color and to exacerbate longstanding injustices that have deprived many communities of assets, leaving them vulnerable to predatory lending.[42]

The DC AG's claims in its lawsuit against OppFi also include allegations that OppFi misrepresented that its loans would help consumers build credit when they were more likely to do the opposite:

> 32. In addition, OppFi advertises that taking out an OppLoan will help consumers build their credit histories. For example, on its website, OppFi states that it will "go above and beyond to make your personal loan experience easy and help you build your credit history."
>
> 33. OppFi, however, knows that for a large portion of its consumers, these promises are false. Indeed, OppFi's underwriting model anticipates that up to one third of their borrowers will fail to repay the loan and default. For these consumers, as well as other consumers who fall behind on their loans, OppFi reports negative information to the credit reporting agencies, damaging their credit history. In fact, OppFi reports negative information about consumer payments over three times more frequently than it reports positive information. Simply put, for the majority of consumers, OppLoan's credit reporting hurts their credit history rather than helping it.[43]

The facts belie OppFi's claims that allowing it to expand its reach through a national bank charter will promote access to responsible credit. Instead, it destroys financial capability.

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[41] *See* OppFi, Loans for Bad Credit ("But bad credit scores don't have to hold you back. We understand a low credit score can make it difficult to get an affordable loan so we don't base our funding decisions exclusively on FICO® credit scores or credit history.") (last visited July 14, 2026); OppFi, No Credit Check Loans (last visited July 14, 2026).

[42] NCLC, Past Imperfect: How Credit Scores and Other Analytics "Bake In" and Perpetuate Past Discrimination (Feb. 27, 2024).

[43] DC AG v. OppFi, *supra*, at 8.

2.4. OppFi's lending poses a high risk of violating numerous consumer protection and other laws.

High-cost lending with high charge-offs also results in a significant compliance risk of violating consumer protection and other laws. As we detailed at length in our 2024 comments on the risks of bank-fintech partnerships,[44] high-cost loans have a high risk of violating laws including those governing:

- Unfair, deceptive, abusive or unconscionable practices
- Credit reporting
- Fair lending
- Electronic Fund Transfers Act and other payment requirements
- E-Sign Act and statutes requiring written disclosures and records
- Military Lending Act and Servicemembers Civil Relief Act
- Privacy and data security
- Know-your-customer laws
- Community Reinvestment Act

Lending programs like OppFi's, with high rates and associated practices, can violate laws against unfair, deceptive or abusive practices in a number of ways,[45] including through:

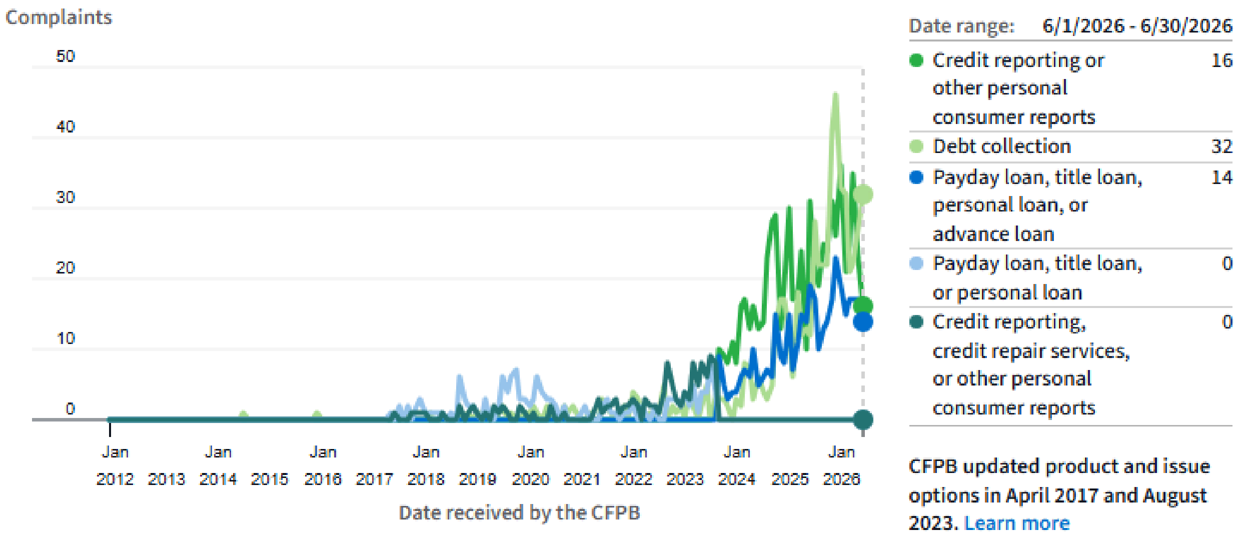
- Deception and taking unreasonable advantage of consumers' lack of understanding
- Lending without regard to ability to repay
- Refinancing and reborrowing practices that mask defaults, extend unaffordable loans, perpetuate a cycle of debt, and accelerate costs
- Unconscionable pricing.[46]

The DC AG's complaint against OppFi describes several unfair and deceptive practices. These include misrepresentations regarding the impact of OppFi loans on the borrower's credit history, the appropriateness of its expensive loans, its refinancing practices, and the cost and affordability of its installment loans compared to payday loans.[47]

It is not surprising that OppFi's lending programs have generated over 2,000 complaints to the Consumer Financial Protection Bureau (CFPB). A sampling of complaints against OppFi is attached as Exhibit A. Those complaints have spiked in the last two years.

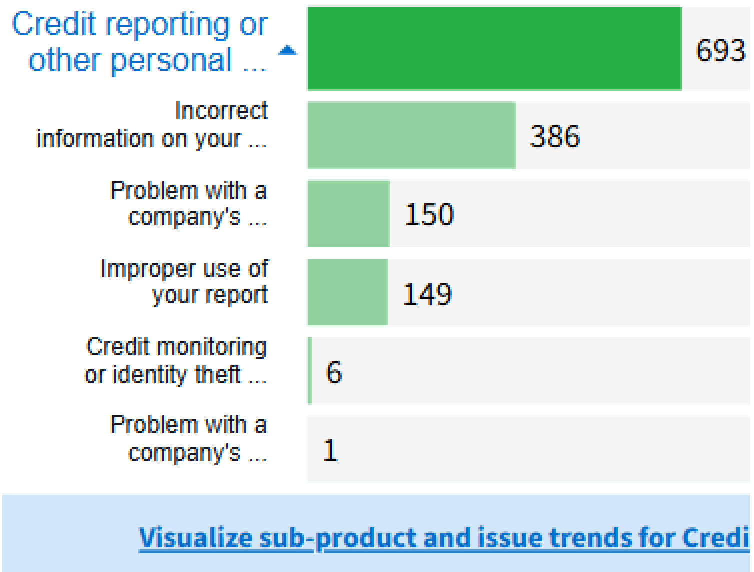
[44] 2024 NCLC Bank-Fintech Risks Comments, *supra*, at 42-62.
[45] *See id.* at 46-55.
[46] *See generally* NCLC, Unfair and Deceptive Acts and Practices, Chapter 6 (11th Ed. 2025), updated at library.nclc.org.
[47] *See id.* at 6 to 10.

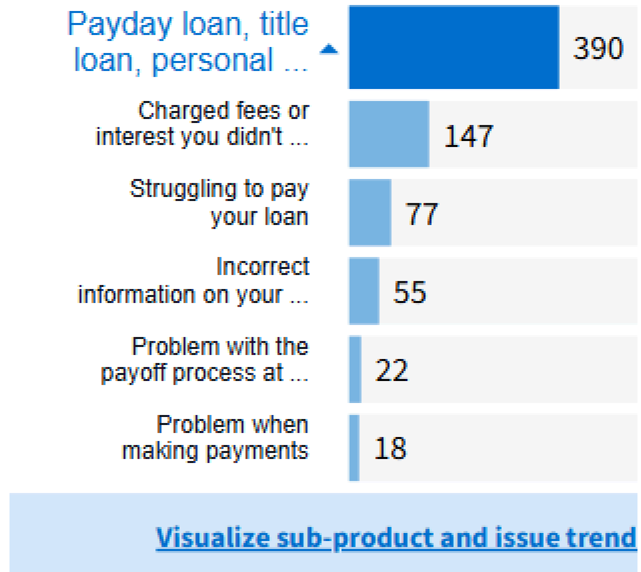
Complaints About OppFi to CFPB[48]

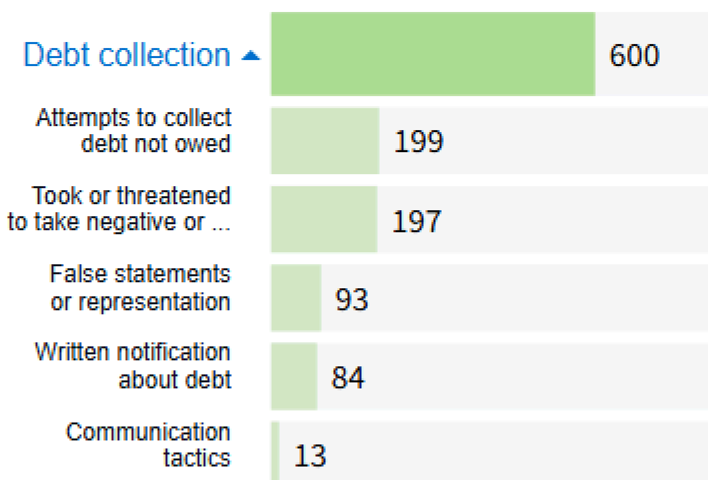


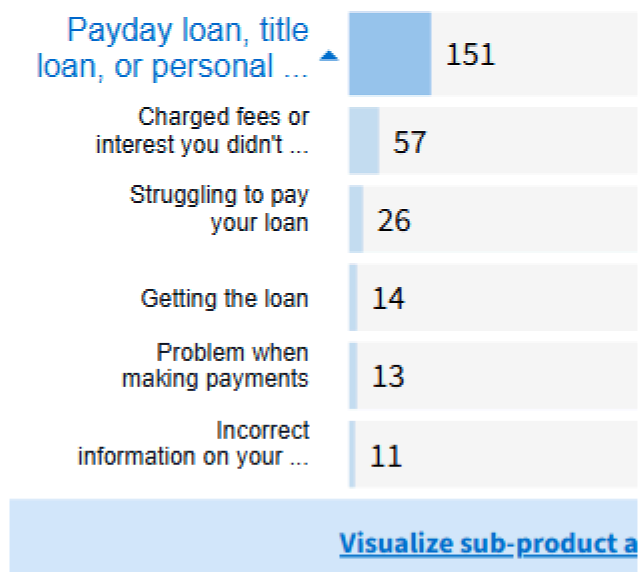
We detailed many of the complaints against OppFi in 2023 in connection with the Community Reinvestment Act examination of OppFi's partner bank.[49] At that time, the top complaints were about incorrect information in credit reports, charging unexpected fees or interest, attempts to collect debt not owed, and struggling to pay the loan or bill. As of 2026, those remain the top complaints:

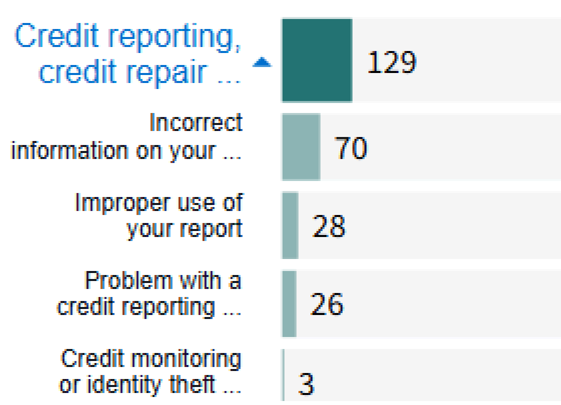
[48] *See* Search the Consumer Complaint Database.
[49] *See* Coalition Comments to FDIC Regarding Community Reinvestment Act Exam of FinWise Bank at 21-24 (Mar. 14, 2023).


Credit reporting or other personal ...
693
Incorrect information on your ...
386
Problem with a company's ...
150
Improper use of your report
149
Credit monitoring or identity theft ...
6
Problem with a company's ...
1
Visualize sub-product and issue trends for Credi


Payday loan, title loan, personal ...
390
Charged fees or interest you didn't ...
147
Struggling to pay your loan
77
Incorrect information on your ...
55
Problem with the payoff process at ...
22
Problem when making payments
18
Visualize sub-product and issue trend


Debt collection
600
Attempts to collect debt not owed
199
Took or threatened to take negative or ...
197
False statements or representation
93
Written notification about debt
84
Communication tactics
13


Payday loan, title loan, or personal ...
151
Charged fees or interest you didn't ...
57
Struggling to pay your loan
26
Getting the loan
14
Problem when making payments
13
Incorrect information on your ...
11
Visualize sub-product a


Credit reporting, credit repair ...
129
Incorrect information on your ...
70
Improper use of your report
28
Problem with a credit reporting ...
26
Credit monitoring or identity theft ...
3

It is clear from the complaints that many borrowers feel deceived about the interest rates, cannot afford to pay off their loans, are frustrated that their payments go almost entirely to interest and are not reducing the principal, and are facing aggressive and potentially inaccurate and unlawful credit reporting and debt collection tactics.

3. OppFi Violates Longstanding Banking Regulator Principles for Responsible Lending and Does Not Deserve a Bank Charter

Over the years, federal bank regulators have issued many guidances and taken other actions to address abusive subprime and irresponsible lending to protect consumers, to prevent abuses, and to prevent unsafe and unsound banking practices. The guidances cumulatively make clear that OppFi's current lending practices as well as its planned earned wage payday loans and high-cost lines of credit do not belong in the banking system. While some of the guidances below have since been updated or replaced, they illustrate the long history of bank regulator struggles to address abusive lending, the foundation on which the current interagency principles rest, and the importance of not allowing these practices into the banking system.

3.1. OCC Rules and Guidances

In a 2000 advisory letter, 2000-7, the OCC wrote to banks to "alert you to abusive lending practices that may involve violations of fair lending and other consumer protection laws and regulations."[50] Among the practices listed, the OCC warned about:

- Collateral stripping: loans made in reliance on the liquidation value of collateral rather than the borrower's independent ability to repay, with the possible or intended result of the need to refinance under duress;
- Interest rates and fees that far exceed the true risk and cost of making the loan;
- Targeting individuals or groups perceived to be less financially sophisticated or otherwise vulnerable to abusive loan practices;
- Balloon payment loans that conceal the true burden of the loan financing and may force borrowers into costly refinancing;
- Loan flipping: frequently refinancings.

In another 2000 advisory letter, 2000-10,[51] the OCC similarly warned against:

> Unlimited renewals, multiple renewals without principal reduction, or renewals in which interest and fees are added to the principal balance are not consistent with safe and sound banking principles.
>
> …
>
> Multiple renewals—particularly renewals without reduction in the principal balance, and renewals in which interest and fees are added to the principal balance, are an indication that a loan has been made without a reasonable expectation of repayment at maturity.

In 2004, the OCC issued a regulation stating: "A national bank shall not make a consumer loan . . . based predominately on the bank's realization of the foreclosure or liquidation value of the

[50] OCC Advisory Letter 2000-7 (July 25, 2000).
[51] OCC Advisory Letter 2000-10 (Nov. 27, 2000).

borrower's collateral, without regard to the borrower's ability to repay the loan according to its terms."[52]

In 2013, the OCC issued a bulletin on so-called "deposit advance products" – payday loans offered by banks. The 2013 guidance declared that deposit advance loans posed a number of "significant risks" to banks and required banks to adopt stronger underwriting policies. The guidance singled out the problem of "churning and prolonged use of these products,"[53] which could indicate poor underwriting. The risks to a bank include the potential violation of federal and state consumer protection laws.[54] In particular, the guidance noted that the FTC Act's ban on unfair and deceptive acts and practices applies "to every stage and activity" associated with deposit advances, including product development, marketing, servicing, and collections.[55]

The 2013 guidance directed banks to analyze a borrower's ability to repay a loan and meet necessary expenses without repeated borrowing. Although the OCC noted that banks are not required to obtain a credit report, the guidance said they should examine the inflows and outflows from the customer's account over the preceding six months to determine the borrower's net surplus or deficit at the end of each month. The OCC specifically directed banks not to rely on the six-month average, which could conceal occasional shortfalls. Banks were also instructed to impose cooling-off periods of at least a month between loans.[56]

In 2017, the OCC rescinded the 2013 guidance on the grounds that it could conflict with the CFPB's newly issued (and later rescinded) rule on short-term, small-dollar loans.[57] The notice repealing the 2013 guidance nevertheless stated that prior guidance regarding consumer lending remained in effect.[58] Specifically cited was Advisory Letter 2000-7 regarding abusive lending practices.[59]

In 2018, the OCC issued a bulletin on short-term, small-dollar lending by banks and thrifts.[60] The bulletin was replaced in 2020 by the interagency principles. The bulletin "encourages banks to offer responsible short-term, small-dollar installment loans, typically two to 12 months in duration with equal amortizing payments."[61]

In 2020, a few months after the issuance of the interagency guidelines, in the course of a rulemaking on fintech-bank partnerships, the OCC explained its work "to eliminate predatory, unfair, or deceptive practices in the federal banking system," as those practices "are inconsistent with important national objectives, including the goals of fair access to credit,

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[52] 12 C.F.R. § 7.4008(b).
[53] OCC, Guidance on Supervisory Concerns and Expectations Regarding Deposit Advance Products, 78 Fed. Reg. 70624, 70629 (Nov. 26, 2013).
[54] *Id.* at 70629 (discussing the Federal Trade Commission Act, Truth in Lending Act, Electronic Fund Transfer Act, Truth in Savings Act, and the Equal Credit Opportunity Act).
[55] *Id.* at 70628.
[56] 78 Fed. Reg. 70624, 70629 (Nov. 26, 2013). *See also* Office of the Comptroller of the Currency, Comptroller's Handbook: Deposit-Related Consumer Credit at 9 (Feb. 2015) (recommending underwriting guidelines and "[p]rudent limitations on product costs and usage).
[57] OCC News Release 2017-118 (Oct. 5, 2017) (announcing rescission, effective Oct. 5, 2017, published at 82 Fed. Reg. 47602 (Oct. 12, 2017)).
[58] *See* 82 Fed. Reg. 47602, 47603 (Oct. 12, 2017).
[59] *Id.*
[60] OCC Bulletin 2018-14, Core Lending Principles for Short-Term, Small-Dollar Installment Lending (May 23, 2018).
[61] *Id.*

community development, and stable homeownership by the broadest spectrum of America.''[62] The OCC went on:

> To address these concerns [about predatory unfair or deceptive practices], the OCC requires banks engaged in lending to take into account the borrower's ability to repay the loan according to its terms. In the OCC's experience, ''a departure from fundamental principles of loan underwriting generally forms the basis of abusive lending: Lending without a determination that a borrower can reasonably be expected to repay the loan from resources other than the collateral securing the loan, and relying instead on the foreclosure value of the borrower's collateral to recover principal, interest, and fees.''
>
> Additionally, the OCC has cautioned banks about lending activities that may be considered predatory, unfair, or deceptive, noting that many such lending practices are unlawful under existing federal laws and regulations or otherwise present significant safety, soundness, or other risks. These practices include those that target prospective borrowers who cannot afford credit on the terms being offered, provide inadequate disclosures of the true costs and risks of transactions, involve loans with high fees and frequent renewals, or constitute loan ''flipping'' (frequent re-financings that result in little or no economic benefit to the borrower that are undertaken with the primary or sole objective of generating additional fees). Policies and procedures should also be designed to ensure clear and transparent disclosure of the terms of the loan, including relative costs, risks, and benefits of the loan transaction, which helps to mitigate the risk that a transaction could be unfair or deceptive.[63]

3.2. FDIC Guidances

The FDIC first issued guidelines for banks regarding payday lending in 2003, at a time when banks were engaged in rent-a-bank lending. Those guidelines were substantially revised in 2005 as FIL-14-2005 (which is now inactive).[64] The guidance emphasized safety and soundness concerns, limited the volume of payday loans to less than 25% of the bank's tier 1 capital, and called for up to 100% capitalization of loans outstanding. Banks were cautioned to limit the number and frequency of, and to consider ability to repay before granting, extensions, deferrals, renewals, or rewrites. When the customer used payday loans for more than three months in the past twelve months, the bank should offer the customer or refer the customer to an alternative longer-term credit product. And the FDIC instructed its examiners to look at the "economic substance" of a transaction to determine the number of rollovers that have occurred.[65]

In 2007, the FDIC issued Affordable Small Loan Guidelines.[66] In 2020, the FDIC replaced the guidelines when with interagency principles regarding small dollar loans, which encompass

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[62] OCC, National Banks and Federal Savings Associations as Lenders, 85 Fed. Reg. 68742, 68746 (Oct. 30, 2020) (citations omitted).
[63] *Id.*
[64] FDIC, Guidelines for Payday Lending (Revised November 2015).
[65] *Id.* at 5. ("Where the economic substance of consecutive advances is substantially similar to 'rollovers'—without appropriate intervening 'cooling off' or waiting periods—examiners should treat these loans as continuous advances and classify accordingly.")
[66] Fed. Deposit Ins. Corp., FIL-50-2007: Affordable Small-Dollar Loan Guidelines (June 19, 2007) (available online as companion material to this treatise).

some of these principles.[67] The 2007 guidelines stated that banks should:

- Collect fees that bear a direct relationship to origination costs and avoid charges such as annual fees, membership fees, advance fees, and prepayment penalties;
- Offer small loan credit with APRs of no greater than 36%;
- Encourage principal reduction by structuring closed-end loans to provide for affordable and amortizing payments;
- For open-end loans, require minimum payments that pay off principal;
- Avoid excessive renewals or the prolonged failure to reduce the outstanding balance; and
- Utilize sound underwriting that focuses on a borrower's history with the institution and ability to repay within an acceptable timeframe, though for small loans, documenting the borrower's ability to repay could be streamlined to include basic information, such as proof of recurring income.

In 2013, the FDIC issued guidance regarding banks' deposit advance loans (bank payday loans),[68] which was substantially the same as the OCC's issued at the same time, discussed above. Both were replaced by the 2020 interagency guidance.

3.3. The 2020 Interagency Guidance

After many years of individual agency guidances, in 2020 the FDIC, OCC, FRB and National Credit Union Administration issued the Interagency Guidance for Responsible Small-Dollar Loans. The guidance, approved during President Trump's first term, includes principles to clarify regulatory expectations for responsible small-dollar loans. These principles include:

- A high percentage of customers successfully repaying their small dollar loans in accordance with original loan terms, which is a key indicator of affordability, eligibility, and appropriate underwriting;
- Repayment terms, pricing, and safeguards that minimize adverse customer outcomes, including cycles of debt due to rollovers or reborrowing; and
- Repayment outcomes and program structures that enhance a borrower's financial capabilities.[69]

3.4. OppFi's Lending Practices Do Not Meet Bank Standards for Responsible Lending

OppFi's lending programs do not meet the foregoing responsible lending standards expected of national banks. OppFi does not adequately ensure that borrowers are able to repay their loans on the original loan terms; instead, a high number default or refinance (and then may eventually default). OppFi's underwriting, pricing and refinancing practices result in adverse outcomes including cycles of debt. The outcomes destroy, rather than enhance, borrowers' financial capabilities. Instead of ensuring that borrowers can afford to repay their loans, OppFi relies

[67] Fed. Deposit Ins. Corp., FIL-58-2020: Interagency Guidance for Responsible Small-Dollar Loans (May 20, 2020), available at https://www.fdic.gov. The 2020 guidance is discussed in § 10.4.3.3, supra.

[68] Guidance on Supervisory Concerns and Expectations Regarding Deposit Advance Products, 78 Fed. Reg. 70,552 (Nov. 26, 2013). See § 10.1.2.2, supra (describing bank payday loans).

[69] Board of Governors of the Federal Reserve System, FDIC, National Credit Union Administration, Office of the Comptroller of the Currency, Interagency Lending Principles for Offering Responsible Small-Dollar Loans (May 2020), Principles for Offering Responsible Small-Dollar Loans.

heavily on its ability to collect through preauthorized debits. OppFi's access to borrowers' bank accounts in most cases is effectively a form of collateral that substitutes for effective underwriting.

OppFi's application should be denied because it does exactly what decades of bank regulator guidances have warned against. OppFi's practices "target prospective borrowers who cannot afford credit on the terms being offered, provide inadequate disclosures of the true costs and risks of transactions, involve loans with high fees and frequent renewals, or constitute loan 'flipping' (frequent re-financings that result in little or no economic benefit to the borrower that are undertaken with the primary or sole objective of generating additional fees)."[70]

These are not minor problems around the edges that can be fixed with oversight. They are a feature, not a bug, of OppFi's high-cost lending and cannot be reformed without completely reinventing OppFi's business model. A company that is not operating responsibly in the way expected of banks should not be allowed to come in through the front door to become a bank. It is much harder to reform bad practices than it is to stop them at the outset.

If the bank regulators are serious that they want to "to eliminate [such] predatory, unfair, or deceptive practices in the federal banking system,"'[71] it makes no sense to grant a national bank charter to a lender that commits those practices. OppFi's central business is making triple-digit loans that people cannot afford to repay with frequent refinancing and defaults. It does not merit the privilege of a national bank charter. These practices would not be tolerated in traditional bank lending and should not be tolerated in a new national bank.

3.5. Federal bank regulators have long warned about the dangers of payday loans and should not countenance them in a national bank.

Beyond the high-cost installment loans that OppFi currently makes, OppFi plans to enter the earned wage payday loan market, as discussed above. Payday loans have long been known as an abusive lending product that violate bank regulator principles of responsible lending. The loans have high rates and are aimed at struggling borrowers who do not have the ability to repay the loans on their original terms without reborrowing, with unaffordable payments that lead to rollovers, debt traps and multiplying fees. Contrary to the federal bank regulator guidances described above, payday lenders rely on the ability to seize collateral – to cash the deferred check or execute the debit to the bank account – rather than underwriting for ability to repay.

While payday loans are primarily a nonbank product, over the years some banks have dipped their toes into the payday loan market, to the consternation of bank regulators. Many of the guidances described above and other actions by federal bank regulators have been aimed at payday loans or practices that characterize payday loans.

The problems with payday loans described above apply to earned wage payday loans as well, as discussed earlier. They are short-term, balloon-payment loans. They have high fees relative

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[70] OCC, 85 Fed. Reg. at 68746 (citations omitted). The OCC's statements came in the context of a rulemaking that would have allowed nonbank fintechs to escape charges that they are the true lender, and thus must comply with state law, when they originate a loan through a national bank. Congress subsequently overturned that rule, Pub. Law No. 117-24 (2021) (S.J. Res. 15), indicating Congress's skepticism that the OCC could appropriately prevent abusive practices. That provides yet another reason to reject admitting a predatory lender into the banking system on promises that federal oversight will prevent abuses.
[71] 85 Fed. Reg. at 68746.

to the small loan size and short term of only a few days, with triple-digit APRs. The repayment leaves the borrower short of funds in the next pay cycle, spurring a cycle of reborrowing, often the same day as repayment.[72] Providers rely on the ability to seize the paycheck or bank account rather than responsible underwriting. Borrowing tends to increase, rather than to decrease over time, compounding debt.[73]

The principles of responsible lending that have come out of federal bank regulators over the years provide a strong basis for denying an application by a high-cost lender that will bring payday loans into national banks. Not only would we see national bank earned wage payday loans, but granting this charter could also encourage traditional payday lenders to seek national charters. That would be a destructive Pandora's Box that the federal bank regulators should not open.

4. OppFi Should Not Be Allowed a Bank Charter to Escape Enforcement Actions and Private Litigation, or as a Vehicle for Escaping the Laws in 45 States That Prohibit Its Usurious Loans

As discussed above, in 2021, OppFi was sued by the DC AG for deceptive practices along with usury violations and agreed to a $2 million settlement. OppFi is currently in litigation with the California Department of Financial Protection and Innovation for its usurious lending.[74] OppFi stopped lending in Oregon this year,[75] perhaps in response to the consent decree that the Oregon Department of Consumer and Business Services obtained against a similar lender (or potentially even indications that Oregon was investigating OppFi).[76] OppFi has also faced numerous private lawsuits arising out of its high rates along with its unfair and deceptive practices.[77]

One of the major motives that OppFi has for seeking to obtain a national bank charter is undoubtedly to escape these enforcement actions and litigation. Once OppFi has a bank charter, any litigation directly challenging its interest rates would be preempted. But using a national bank charter merely as a vehicle to enable usurious loans prohibited in nearly every state is not appropriate. The National Bank Act has a usury cap.[78] The option of charging the rate allowed in the state where the bank was located was not intended to relieve banks of usury limits; at the time the NBA was passed, all or nearly all states all had usury caps. While later developments have allowed many banks to locate in states that do not limit their rates,[79] most banks do not exploit that freedom to charge grossly excessive rates. Yet that is the driving force

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[72] CRL, Not Free, *supra.*

[73] CRL, A Loan Shark in Your Pocket, *supra.*

[74] OppFi v. Hewlett, No. 22STCV08163 (Sup Ct. Cal.). Although OppFi's motion for summary judgment was recently granted, the Department still has time to appeal.

[75] *Compare* OREGON LICENSURE INFORMATION Loan Details in Oregon (OppFi webpage through Mar. 9, 2026 showing loans offered in Oregon) *with* Online Loan Rates and Terms by State | OppLoans (last visited July 22, 2026) (omitting Oregon as a state where loans are available).

[76] *See* Oregon Dep't of Consumer & Bus. Svcs., Press Release, DFR fines LoanMart $660,000 for charging excessive interest in consumer loans; company to repay $900,000 to Oregon borrowers (Jan. 30, 2026).

[77] *See, e.g.,* Class Action Complaint for: 1. Unfair Competition (California Financial Code); 2. Unfair Competition (Unconscionability); 3. Money Had and Received; 4. Declaratory Relief; 5. RICO Association-in-Fact Enterprise; 6. RICO Conspiracy; and 7. Fraudulent Concealment, Carpenter v. Opportunity Financial, No. 2:21-cv-9875, 2021 WL 8650374 (C.D. Cal. Filed Dec. 22, 2021); Fratus v. Opportunity Financial, LLC, No. 24-cv-6489. 2025 WL 2426684 (N.D. Ill. Aug. 22, 2025) (granting motion to compel arbitration).

[78] *See, e.g.,* Beneficial Nat'l Bank v. Anderson, 539 U.S. 1, 9 (2003) ("[Section 85] sets forth substantive limits on the rates of interest that national banks may charge.").

[79] *See* Steven Mercatante, The Deregulation of Usury Ceilings, Rise of Easy Credit, and Increasing Consumer Debt, 53 S.D. L. Rev. 37, 41 (2008).

behind OppFi's application. Its application makes clear that even the deposit accounts it will offer are attractive as a source of low-cost capital for its lending program. But the national bank charter should not be turned into a way for predatory lenders to escape state laws.

OppFi would also likely use its national bank charter to attempt to argue, rightly or wrongly, that other claims, including those based on unfair, deceptive or unconscionable practices, are preempted. And even to the extent that state law claims are not preempted, it would be much more difficult for a state attorney general to bring a lawsuit as it would not be able to investigate by demanding information from OppFi.[80] State regulators that do not license OppFi would also no longer have purview over OppFi as a national bank.

Allowing a predatory lender to escape enforcement actions is not an appropriate reason to allow it to operate under a national bank charter. OppFi's irresponsible, unfair, deceptive and abusive lending inevitably attracts enforcement actions and lawsuits. It should be denied use of a national bank charter to avoid accountability for its practices.

5. OppFi Has Questionable Anti-Money Laundering Compliance

One of the factors for evaluating OppFi's application is its effectiveness in combatting money laundering activities.[81] An effective know-your-customer (KYC) and customer identification program (CIP) is key to anti-money laundering (AML) efforts. An effective KYC/CIP program is also essential to safety and soundness.

The banking agencies should look closely not only at AML efforts of the target bank, BNC, but also of its proposed parent company, OppFi. Consumer lawsuits and complaints suggest that OppFi has not always properly identified its customers or responded appropriately when contacted about misidentification. These failures could indicate compliance problems with both AML and the Fair Credit Reporting Act, including the FCRA's identity theft prevention and dispute investigation requirements.

Several of the top complaints filed with the CFPB may indicate that fraudsters took out loans in someone else's name and OppFi's identification verification process failed. As shown in the graphs in Section 2.4 above, "Incorrect information on your [credit] report" and "Attempts to collect debt not owed" are among the top complaints. The same was true in 2023, when we submitted comments on OppFi's lending in connection with the Community Reinvestment Act review of one of its bank partners.[82]

One consumer was forced to file a lawsuit when OppFi failed to address concerns about identity theft. The consumer alleged that his credit report reflected an OppFi loan even though he had never borrowed money from OppFi or done business with it.[83] He provided evidence that he had been the subject of an identity theft and attempted to have OppFi complete an investigation, correct the inaccurate information, and cease reporting the debt on his credit report, but to no avail. OppFi failed to even appear to defend the lawsuit, and a court granted the borrower a default judgment.

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[80] Cuomo v. Clearing House Association, L.L.C., 557 U.S. 519, 535–36 (2009).
[81] 12 U.S.C. §§ 1828(c)(11), 1842(c)(6).
[82] *See supra* note 49.
[83] Smith v. Opportunity Fin'l, LLC, No. 3:22-cv-00140-JR, 2022 WL 1446878 (D. Ore. Apr. 19, 2022) (magistrate findings and recommendations), adopted by 2022 WL 1443259 (D. Ore. May 6, 2022).

Several complaints filed with the CFPB also indicate failed KYC efforts.[84] Below are only a few examples:

> **Pennsylvania, # 18270764, 5/4/2026**
>
> … They are stating that in XXXX, I took out a loan for XXXX via the internet. Ive asked and pleaded with these people to validate this. They told me they couldnt cause it was done over the internet. Ive had so many issues with my credit. Ive become overwhelmed by it all. I informed them that my XXXX was hacked. I provided all the evidence I could as to the phone being hacked. My credit numbers are horrible, I would never seek a loan, let alone one on internet. It looked like they charged a XXXX interest rate. Def predatory company. Its been months and Ive gotten nowhere. They finally closed the account. But still looks like bad debt, thats not mine. I want it removed.
>
> **Illinois, #18332837, 12/29/2025**: "I did not apply for this loan. I asked the company to provide information as to when and where the loan information was provided. Company did not respond. I would like this to be taken off my credit as I did not apply for this loan."
>
> **Indiana, #17875036, 12/1/2025**: "I did not take out a loan with this company. I noticed in XXXX of XXXX they had been deducting money from my checking account, totalling {$1800.00}. The lady on the phone informed me a loan had been taken out in my name, with my banking information in the amount of {$1800.00}. I disputed that fact and they failed to provide any documents verifying the loan. They did not refund my money. They did stop deducting money from my account. Now I have a charge off appearing on my credit report, from this company in the amount of {$3800.00}…. I would like my money refunded and also the derogatory information removed from my credit report. I would also like any documentation they have to help me determine who might have opened this account."
>
> **Virginia, #17146486, 11/10/2025**: "… it showed up on my credit even was informed that I owe XXXX this loan that I didnt take out I even asked the company to send me the original paperwork to this loan the signed contract as well nothing was sent just this debt on my credit I would like to have this issue resolved and removed from my credit"
>
> **Virginia, #14897775, 7/26/2025**: "… opportunity financial has been falsely reporting me to credit beuroughs for an account that fraudulently opened. I am a victim of identity theft and have proven this with a police report several times. I have asked money lion to provide any proof with signatures or anything stating I agreed to the account. They still will not remove the account or respond to my request."
>
> **Florida, #13481644, 5/14/2025:** "My information was used to get several online loans but the bank the money was sent to was not mine the email used was not mine I never applied for the loan but because they said my social was correct I am responsible to pay it back I dont know what to do."
>
> **Mississippi, #12289201, 3/3/2025**: "I file a complaint and the company responded, and sent a the agreement along with the response, viewing the information my name and

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[84] Complaints filed in the last year that have narratives are included in Appendix A. All CFPB complaints against OppFi are available on the [CFPB's Consumer Complaint Database.]()

address and right. But I did not take out this loan and the banking information do not belongs to me and is not my banking information at the time this loan was taken out."

A strong AML program is essential for any bank. Failure to properly confirm identities can cause severe harm to individuals and can facilitate money laundering, posing safety and soundness issues. The banking agencies should look deeper into OppFi's AML program and problems with its identity theft prevention and remediation measures, as these failures are another reason for denying the application.

6. OppFi Should Provide More Information About its Practices

The serious concerns detailed above, and the information already known about OppFi's practices, are more than sufficient to warrant denial of OppFi's application. Should the bank regulators be considering granting this application, before doing so OppFi should be required to supply additional information about its current and anticipated practices. This data would update and add to the data collected by the DC Attorney General and other research.

Specifically, OppFi should be required to supply more information about the extent to which its borrowers are, or are not, repaying their loans according to their original terms. This data should include:

- The percent of original loans that are repaid without refinancing or being late.
- The percentage of borrowers who pay late, and who have negative credit reporting due to those late or defaulted payments.
- Cohort default rates for recent years – that is, the ultimate outcome, after all refinancings, for borrowers who took out loans in a given cohort.
- The percentage of loans that are refinances and of borrowers that refinance.
- More details on its refinancing practices, including the marketing it does to encourage refinancing, when and how it reaches out to consumers about refinancing, and whether it seeks or permits refinancing of loans that are late.
- The number and percent of payments that are returned for insufficient funds, and the number of times that OppFi re-presents those payments.

OppFi should also be required to provide details on rate and fee structures of the earned wage payday loans, lines of credit and small business lending that it expects to offer. For lines of credit, will OppFi price through a transparent interest rate and APR or through opaque fees as other high-cost lenders do? For earned wage payday loans, what revenue does OppFi anticipate from what sources, regardless whether fees are styled as voluntary? How much in fees does OppFi plan to extract each year from users of earned wage payday loans?

OppFi should provide information on the number and percentage of loans that have questionable identity verification and are disputed.

OppFi should be required to detail the lawsuits filed against it and any investigations it knows about that are pending. OppFi should also detail what changes it has made to address the business practices that led to the DC AG's enforcement action.

7. Granting an OppFi National Bank Would Taint and Pose Risks to the National Bank Charter and Mainstream Banks

Banking relies on trust. Banks work hard to distinguish themselves from predatory actors and to convince the public that a national bank charter and the FDIC logo are signs that consumers can rely on. At a time when banking services are increasingly being offered by nonbank fintechs, ensuring that the trust embodied in the bank brand is all the more important for the ability of banks, including community banks, to compete. But if the national bank charter becomes a conduit for predatory lending up to 195%, that risks confidence in the banking system.

OppFi's borrowers are also customers of other banks. OppFi's lending practices threaten the financial health of those customers and impact the banks as a result. OppFi's unaffordable lending and automatic debiting of bank accounts can leave consumers with insufficient funds and even at risk of losing their bank account, leaving the bank with a negative balance to charge off. OppFi customers, with their subprime credit scores, also hold credit card and other bank debt. The chances of defaults on that debt increase as OppFi loans push people further behind, their payments deplete the bank balances needed to service other loans, and in some cases their aggressive collection practices lead people to declare bankruptcy.

An OppFi national bank charter will also increase calls to end bank preemption rights and require banks to comply with state interest rate limits.[85] Given that OppFi's lending is prohibited in 45 states, there could be widespread support for returning that power to states. While consumers would view that as a positive outcome, undoubtedly many banks would not.

8. The Bank Regulators Should Hold Public Hearings on OppFi's Applications

Pursuant to 12 C.F.R. §§ 5.11(a), 262.3(e) and 303.10(c), we make a request for a public hearing. Written submissions are insufficient to adequately present the issues or facts. A hearing is also in the public interest given the unprecedented nature of this application, the widespread ramifications, and the importance of enabling the broader public, beyond those who monitor obscure postings about bank mergers, to weigh in on the applications. The foregoing discussion identifies the nature of the issues and facts to be presented. The broader public that has taken out OppFi loans or has experience with the impact of lending such as OppFi's would also be able to weigh in on whether expanding OppFi's type of lending meet the conveniences and needs of the communities and would be safe and sound.

* * *

[85] *See* S.3721 (Whitehouse) (119th Congress), Empowering States' Rights to Protect Consumers Act; Letter from 106 consumer, civil rights, and community organizations supporting S. 3721 (May 7, 2026).

A national bank charter carries with it enormous privileges and also high responsibilities. It is wholly irresponsible to grant an application to charter a national bank and a bank holding company dedicated to offering predatory, unaffordable loans with charge-offs over 50%. Doing so could carry enormous consequences that ultimately lead to the weakening of the national bank charter and harm national banks as a whole.

OppFi's application does not meet the conveniences of needs of the community, is risky, unsafe and unsound. We urge the bank regulators to:

- Make public OppFi's applications and provide another comment period after publication of those applications;
- Request additional information from OppFi;
- Hold public hearings on OppFi's applications; and
- Ultimately, to deny OppFi's applications.

Thank you for considering these comments.

Yours truly,

Lauren Saunders
Senior Attorney
National Consumer Law Center (on behalf of its low-income clients)