



President Trump's Administration may be on the verge of approving an [unprecedented](#) national bank application that would allow a lender to expand lending at interest rates of 100% or higher all over the country. These loans would be more than 10 times as costly as the cap President Trump has promoted on credit card interest rates and many times more expensive than the vast majority of credit cards today.

CashNetUSA and NetCredit are Enova's consumer brands; OnDeck makes small-business loans. Enova has sought approval to take over a small national bank, which would allow it to spread its high-cost loans all over the country. National banks, unlike nonbank lenders, can ignore state interest rate laws outside their home state. The Office of the Comptroller of the Currency (OCC) and Federal Reserve Board (Fed) are currently reviewing Enova's application. If approved, the results could be:

**100% (300%?) APR loans from a national bank.** NetCredit makes loans of several hundred to several thousand dollars at up to 99.99% annual percentage rate (APR). NetCredit also offers lines of credit with very high fees but without disclosing the APR, hiding the high interest rate. CashNetUSA charges 229% to 299% APRs. Enova has stated it will not make CashNetUSA loans through the bank but that is unenforceable and NetCredit could raise its rates.

**Blocking state interest rate limits in 45 states.** A \$2,000 loan at 100% APR is [illegal in 45 states](#). Currently, Enova avoids states that limit interest rates or uses a "[rent-a-bank](#)" scheme that is subject to legal challenge. But an Enova national bank could ignore state rate caps.

**Unaffordable loans with high chargeoffs.** Enova targets people who are struggling with high debts and low credit scores, leaving them [worse off](#) with:

- [Charge-offs](#) on consumer loans that exceed 50%.
- Payments that go mostly to interest without reducing the principal.
- Unaffordable payments that debit bank accounts automatically and trigger overdraft fees.

**Deceptive and abusive practices.** People have [recounted](#):

- Tricks to prevent borrowers from making extra payments to pay down loans.
- Websites that show the biweekly payment but obscure the total cost.
- Abusive debt collector calls including threats of court action and arrest.

**Abusive small-business loans.** [Complaints](#) about Enova's OnDeck loans include:

- Rates as high as 50% on loans of tens of thousands of dollars or more.
- Unexpected junk fees, such as origination or broker fees.
- Cycle of debt with weekly debits and high interest, leaving small businesses without capital for inventory or operations.
- Enormous, hidden prepayment penalties through front-loaded interest.
- Difficulties getting OnDeck to accept payments and payoffs.

**STOP UNAFFORDABLE, PREDATORY 100% APR BANK LOANS.  
THE OCC AND FED SHOULD DENY THE ENOVA BANK APPLICATION.**