



January 15, 2017

The Honorable Thomas Curry  
Office of the Comptroller of the Currency  
400 7th Street SW  
Washington, DC 20219

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

Dear Comptroller Curry:

The Mortgage Bankers Association<sup>1</sup> (MBA) appreciates this opportunity to respond to the Office of the Comptroller of the Currency's (OCC) recent paper<sup>2</sup> outlining a special purpose national bank charter for "fintech" companies.

As described in the OCC's paper, the special purpose charter was conceived in response to the rapidly expanding number of technology-driven nonbank companies offering new approaches to financial products and services generally offered by banks. Eligible institutions would include those that limit their activities to at least one of three core banking functions, including receiving deposits, paying checks, or lending money. OCC staff have clarified that traditional activities done using new technology are permissible. Those institutions would be subject to the same laws, regulations, examination, reporting requirements, and ongoing supervision as other national banks.

It is clear that the OCC has already considered several important issues related to this charter, including the need for a uniform body of rules and standards to address certain activities. Given the interstate nature of many financial activities, MBA has long supported uniform rules and standards. The OCC paper also notes that recipients of any new charters should be held to the same rigorous standards of safety and soundness, fair access, and fair treatment of customers that apply to all national banks and federal savings associations.

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<sup>1</sup> The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 280,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of over 2,200 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies and others in the mortgage lending field. For additional information, visit MBA's Web site: [www.mba.org](http://www.mba.org).

<sup>2</sup> OCC, "Exploring Special Purpose National Bank Charters for Fintech Companies," December 2016, available at <https://www.occ.treas.gov/topics/bank-operations/innovation/special-purpose-national-bank-charters-for-fintech.pdf>



MORTGAGE BANKERS ASSOCIATION

Nevertheless, it is also clear that there is much more work to be done. The paper itself raises many questions that remain unanswered or unclear, including:

- the need for the charter,
- the structure of the charter,
- eligibility for and activities permitted under the charter, and
- the charter application and approval process.

Fintech companies of all kinds, including those in the mortgage market, need to understand clearly the OCC's goals, standards, and expectations in order to provide more substantive feedback and to be able to make fully informed decisions about the charter. As such, MBA urges the OCC to provide much more detailed information about the charter and the chartering process in response to the many frequently asked questions and comments received. Given the open questions, we recommend that the OCC issue a detailed Advance Notice of Proposed Rulemaking before moving to any proposed rule.

MBA appreciates the OCC's commitment to understanding and monitoring the role emerging financial technology. We look forward to participating in this discussion and learning more about the special purpose charter moving forward. Should you have questions or wish to discuss any aspect of these comments, please contact Ken Markison, Vice President and Regulatory Counsel, at (202) 557-2930 or [kmarkison@mba.org](mailto:kmarkison@mba.org); or Elizabeth Kemp, Assistant Regulatory Counsel, at (202) 557-2941 or [ekemp@mba.org](mailto:ekemp@mba.org).

Thank you for your consideration of these views.

Sincerely,

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Pete Mills,  
Senior Vice President  
Residential Policy and Member Services