

Mr. Thomas J. Curry
Comptroller of the Currency
Office of the Comptroller of the Currency
Washington, DC
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