

April 12, 2017

Via E-mail ([specialpurposecharter@occ.treas.gov](mailto:specialpurposecharter@occ.treas.gov))

Office of the Comptroller of the Currency  
400 7th Street SW  
Washington, DC 20219

**RE: Comments – Draft Supplement to Comptroller’s Licensing Manual, “Evaluating Charter Applications from Financial Technology Companies”**

Dear Sir or Madam:

Oportun, Inc. (“Oportun”)<sup>1</sup> appreciates the continued opportunity to comment on publications by the Office of the Comptroller of the Currency (“OCC”) related to the proposed special purpose national bank charter for fintech companies (“Fintech Charter”). As stated in our previous comment letter dated January 13, 2017 (“January 2017 Letter”), Oportun is supportive of the development of a Fintech Charter, which Oportun believes will give fintech companies engaged in banking activities the opportunity to be overseen by an experienced and innovative regulator with a deep understanding of supervision at the national level.

This letter sets forth Oportun’s comments regarding the OCC’s draft supplement to the Comptroller’s Licensing Manual on Evaluating Charter Applications from Financial Technology Companies (“Draft Supplement”).

**A. : The Draft Supplement provides useful insight for institutions considering pursuing a Fintech Charter.**

In Oportun’s view, the Draft Supplement will be a valuable resource for institutions seeking guidance regarding the purpose of a Fintech Charter, as well as mechanics of the application process. First, the Draft Supplement makes clear that the OCC is focused on ensuring that Special Purpose National Banks with a Fintech Charter (each a “SPNB”) operate in a safe and sound manner, identify and manage risks effectively, demonstrate the ability to operate successfully and efficiently under a well-developed business plan, treat consumers fairly, and seek to meet the financial services-related needs of their respective communities. As Oportun noted in our January 2017 Letter, the OCC’s strong oversight and its commitment to financial inclusion are some of the aspects of a Fintech Charter that are most important to Oportun. It was encouraging to see that these goals continue to be reflected in the OCC’s procedural publications related to the proposed charter.

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<sup>1</sup> Oportun is a fintech lender that makes small-dollar installment loans to “credit invisible” consumers, giving them access to credit and a chance to build a credit history that otherwise may not be available to them. For a detailed description of our mission and operations, please refer to our January 13, 2017, comment letter in response to the OCC’s paper on Exploring Special Purpose National Bank Charters for Fintech Companies.

The Draft Supplement also clearly sets forth additional important considerations that fintech companies should expect to address during the application process – specifically, whether the applicant engages in predatory, unfair, or deceptive acts or practices with respect to consumers, and whether the applicant’s operations would inappropriately commingle banking and commerce. Oportun shares the OCC’s concerns with respect to these issues, and appreciates the clarity offered by the Draft Supplement in this regard.

The Draft Supplement additionally serves the practical purpose of providing fintech companies with detailed information about what actions and information will be required of applicants during the pre-filing, filing, conditional approval, and final approval phases. After reading the Draft Supplement, it is our understanding that, in many ways, the OCC anticipates the Fintech Charter application process will be similar to the process for traditional *de novo* charter applicants. However, there are some differences, and it may be useful for the OCC to separately highlight those it considers the most important in an appendix to the Draft Supplement or a separate bulletin. For example, this comparative guidance could list the specific standard or special requirements or conditions that an OCC plans to impose on Fintech Charter applicants that would not normally apply to traditional charter applicants.

**B. ( Oportun agrees with the OCC’s requirement that institutions implement a Financial Inclusion Plan (“FIP”).**

Oportun appreciates the guidance provided in the Draft Supplement regarding the FIP concept. In particular, Appendix B to the Draft Supplement will assist entities like Oportun in understanding what the OCC’s specific expectations are with respect to financial inclusion both at the inception of the supervisory relationship as well as going forward. As a small dollar lender with a mission to provide credit to an underserved population, financial inclusion is a critical part of Oportun’s corporate philosophy and operations. Oportun is pleased to have the Draft Supplement to inform our discussions regarding how we can modify and enhance the efforts we have already undertaken in order to create an FIP that would satisfy the OCC’s expectations. Additionally, Oportun appreciates the OCC’s willingness to innovate and look beyond traditional measures of financial inclusion.

**C. ( Oportun agrees that consumer protection would be strengthened, not lessened, under consistent federal consumer protection standards and federal supervision and regulation applicable to an institution with a Fintech Charter.**

As written, the Draft Supplement does not expressly address state regulation of institutions chartered under the proposed Fintech Charter, which is appropriate. In an explanatory document issued contemporaneously with the Draft Supplement, the OCC, in responding to industry comments on the Fintech Charter, emphasizes its extensive authority to ensure compliance with applicable laws, address unsafe or unsound banking practices, and prevent practices that harm consumers, and notes that state law would apply to an SPNB in the same way and to the same extent as it applies to other national banks, under existing federal preemption principles.<sup>2</sup> Oportun agrees that consumer protection would be strengthened, not lessened, under the consistent federal consumer protection standards and federal supervision and regulation applicable to an SPNB.

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<sup>2</sup> OCC Summary of Comments and Explanatory Statement: Special Purpose National Bank Charters for Financial Technology Companies, at \*5-7 (Mar. 2017).

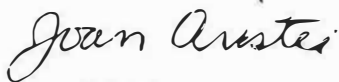
States will also continue to be involved in regulating fintech companies, and we appreciate the states' role in this regard. States will continue to ensure that SPNBs do not engage in unfair and deceptive practices in lending, and comply with other state specific laws that are not preempted (e.g., state laws on anti-discrimination, privacy, fair lending, debt collection, taxation, zoning, criminal law, and torts). State Attorneys General will still have the authority to investigate and take action against SPNBs. Non-bank affiliates and subsidiaries of SPNBs will also remain subject to state licensing and oversight. In addition, not all fintech companies will want to become a SPNB. Rather some fintech companies may choose to partner with a bank, and other fintech companies may choose to continue to be state-licensed and remain under state regulator oversight.

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Thank you again for the opportunity to provide comments regarding the Draft Supplement. We are pleased to see that its content confirms the OCC's oversight of fintech companies will be comprehensive from the outset, and focused on ensuring the stability of both fintech companies and the communities they serve.

If you have any questions regarding this letter or Oportun, please do not hesitate to contact me at [Joan.Aristei@oportun.com](mailto:Joan.Aristei@oportun.com) or (650) 224-8010.

Sincerely,



Joan Aristei  
Oportun, Inc.  
Chief Compliance Officer