

From: Gregory Shook [<mailto:GShook@essexsavings.com>]

Sent: Friday, March 17, 2017 3:42 PM

To: specialpurposecharter <specialpurposecharter@occ.treas.gov>

Subject: [EXTERNAL] Bullets for consideration Regarding Special Purpose National BankCharter - stop now

- 1) Self-perpetuating expansion for OCC (bias) instead of reducing the number of charters will lead to expanding beyond your capacity and will lead to expanding the OCC – at a cost of lowering community bank margins who currently pay taxes and provide revenues to federal and state
- 2) Many Fintech’s are and will be bought up by the TBTF banks/which would be for this as a shortcut to R & D.
- 3) CRA and regulatory scrutiny is important as their will be more internal fraud
- 4) Their main purpose will be to take deposits/and/or/loans and compete without the true cost of capital with the goal to sell to Google or TBTF entities, during the next ten years they will be giving their product or service away just to obtain market share, which will hinder community banks, credit unions and others, it looks like the next bubble or dot.com fiasco...
- 5) “Two core elements of safety and soundness are strong capital and liquidity. ... Existing fintech companies often have atypical funding models and complex equity and ownership structures due to their venture capital and private equity investors,” representatives of The Clearing House, the Independent Community Bankers of America and SIFMA said in a joint letter. The letter was signed by John Court, the managing director of The Clearing House; Christopher Cole, the executive vice president and senior regulatory counsel at the ICBA; and Christopher Killian, the managing director of SIFMA.
- 6) Fintech charter applicants “in many cases will also have nontraditional balance sheet compositions that do not fit readily into the existing capital frameworks for full-service national banks,” they added.
- 7) Only drive will be to investors - then to shareholders
- 8) This idea will lead to multiple cybersecurity risks and issues/who are the owners?
- 9) This idea will lead you directly to the next financial crises – they will not be a fiduciary financial institution as you are mixing banking with commerce and risk taking

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