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Office of the Comptroller of the Currency  
Via email: [specialpurposecharter@occ.treas.gov](mailto:specialpurposecharter@occ.treas.gov)

RE: Draft Licensing Manual Supplement for Evaluating Charter Applications  
From Financial Technology Companies

Ladies and Gentlemen:

The following comments are submitted on behalf of the Independent Bankers Association of Texas ("IBAT"), a trade association representing approximately 400 independent community banks domiciled in the state of Texas. These members are spread across a diverse economy of 254 counties that include both small town communities and large metropolitan areas.

On March 15, 2017, the Office of the Comptroller of the Currency ("OCC") issued a draft supplement ("Supplement") to its existing Licensing Manual that provides additional detail on evaluating special purpose national bank ("SPNB") charter applications from financial technology ("fintech") companies that engage in the business of banking.

For years, community banks have struggled under a 'single industry' approach to banking that does not recognize or appreciate the unique business model of community banking. Granting specific fintech charters by the OCC represents yet another threat to the already fragile position community banks across the country find themselves in.

The issuance of this Supplement does not address the argument that the OCC does not have the necessary statutory authority to issue a special purpose fintech charter. Nor does it address the OCC's failure to explore fintech charters and address concerns with other regulatory authorities, including the Conference of State Bank Supervisors. Putting both those issues aside, the impact this may have on the competitive nature of community banking is the primary concern for our members.

Since those granted a fintech charter would not be treated as an "insured depository institution," the vagary in how these firms will be subject to the daunting regulatory challenges faced by community banks has not been adequately addressed. Even if those compliance issues were adequately addressed, community banks, by their very nature, can't spread those compliance costs across 50 states or move in and out of products and services at the whim of investors. The potential for placing our members, and community banks across America, at an economic disadvantage has simply not been addressed.

Until community banks are given substantial relief and meaningful regulatory reform to bolster the community bank model, fintech charters should not be granted.

Thank you for this opportunity to comment.

Cordially,

Christopher L. Williston, CAE  
President and CEO