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July 28, 2026

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Re: Application of Opportunity Financial ("OppFi") to FDIC (#20260654), OCC and FRB acquire BNC National Bank, to create and merge with OppFi Bank, and to become a bank holding company, 91 Fed. Reg. 42961 (July 13, 2026)

Dear Sirs and Madams:

The Center for Economic Integrity joined consumer groups around the country in comments to the Federal Deposit Insurance Corporation (FDIC), Office of Comptroller of the Currency (OCC), and the Board of Governors of the Federal Reserve System (FRB) on the application of Opportunity Financial (OppFi) to become a bank. OppFi seeks to acquire

Arizona-based BNC Bank to create OppFi National Bank, to merge BNC and OppFi banks, and to become a bank holding company.

This letter is to share additional information from our experience combating high-cost lending in Arizona. **We urge you to deny the application after holding a public hearing, including consideration by the full Board of Governors of the Federal Reserve.**

Fight to Curb Predatory Lending in Arizona to Protect Vulnerable Consumers

The Center for Economic Integrity (CEI) is a consumer advocacy organization that works to curb predatory lending and harmful credit products targeted at vulnerable borrowers. Founded in 2001, CEI works to build economically strong communities for all and opposes unfair corporate and government practices. The extreme economic divide in our country must be addressed by sensible, fair, economic and fiscal policies.

CEI led the broad bi-partisan coalition that defeated the payday loan industry's ballot initiative in 2008 that would have enshrined triple-digit rate payday lending in Arizona's constitution. CEI monitors and reports on the car title loan market and advocates for repeal of the title lending exception from Arizona's usury law. We also advocate for preservation, strengthening and enforcement of the protections in the Consumer Lender law and oppose efforts to exempt harmful credit products, such as Earned Wage Access (EWA) from the law. We monitor "Rent-a-Bank" online lending and urge enforcement of Arizona's Consumer Lender law with out-of-state online lenders. See the Arizonans for Responsible Lending website for information on our work. https://nmoreloansharksaz.org

OppFi Wants to Buy an Arizona Community Bank

BNC National bank is headquartered in Arizona with one location in Glendale and ten branches in North Dakota. It appears to be a mainstream community bank that serves consumers and business customers. BNC currently offers a Home Equity Line of Credit with a 5.49%APR six month promotional rate[1] and the highest rate quoted by phone for a personal unsecured installment loan up to $5,000 is 19% interest plus a $95 doc fee. BNC staff say that the bank conducts an ability to repay analysis and runs a credit check on

[1] BNC National Bank, BNC National Bank | Banking Services for personal & business needs

each loan applicant. Acquisition by OppFi will move this bank to Utah and use its charter as a predatory lender based on OppFi's current operations as a "rent-a-bank" lender.

Rent-A-Bank Lenders Evade Arizona's Consumer Lender Law

Despite voter support for Arizona's Consumer Lender rate cap, a few online lenders including OppFi use FDIC-supervised banks located in Utah and Kentucky to make installment loans here without complying with Arizona's Consumer Lender law. Per CEI's roster of rent-a-bank lenders, Opportunity Financial, based in Chicago, offers consumer installment loans via three banks in Utah, FinWise Bank, Quill Banks (formerly Capitol Community Bank), and First Electronic Bank. As of January 2026, OppFi loans of $500 to $5,000 had terms of 9 to 18 months and cost **160 percent APR**.[2] OppFi holds an Arizona Collection Agency license (CA-0945745) but not the Consumer Lender license required for companies that extend or market Consumer Lender loans in Arizona.

Arizona is one of the 45 states that cap rates for installment loans. The triple-digit rates OppFi charges far exceed Arizona's usury law which caps rates at 36 percent for loan amounts up to $3,000 and 24% on the amount of installment loans over $3,000 up to $10,000 plus a five percent administrative fee up to $150. Arizona's Consumer Lender law applies to lenders and marketers of unsecured and secured cash installment loans and lines of credit up to $10,000.[3] These limits are being evaded by OppFi through misuse of Utah banks.

OppFi's current installment loans lead to the same borrower harm found for payday lending.[4] A study by the Center for Responsible Lending documented that OppFi loans are a debt trap for borrowers. OppFi charges up to 195% on loans of $500 to $5,000. CRL documents that frequent refinancing is OppFi's business model and OppFi expects that a third of borrowers will default. [5]

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[2] CEI, "Stop Rent-A-Bank Lenders Operating in Arizona," January 2026, at 2026 AZ Factsheet Rent-A-Bank lenders.pdf

[3] CEI, "Arizona Consumer Lenders," February 2026 at 2026 AZ Factsheet Consumer Lenders NEW-B

[4] Patrick Crotty and Lauren Saunders, National Consumer Law Center, "Picking Workers' Pockets: Unfair, Deceptive and Abusive Practices by Earned Wage Payday Lenders," January 2026 at 2026.01_Report_EWA.pdf

[5] Whitney Barkley-Denney, Center for Responsible Lending, "Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt," January 2026 at crl-lost-opportunities-jan2026.pdf

No bank making predatory installment loans should receive the privilege of a national bank charter. But OppFi's business plans are even worse than its current offerings.

OppFi Wants A Bank Charter to Become a 50-State Payday Lender

OppFi has announced plans to offer app-based payday loans (termed Early or Earned Wage Access or Advance -EWA).[6] With a national bank charter, OppFi will be able to make triple-digit rate payday loans in all fifty states, despite state laws and ballot initiatives enacted to curb this predatory form of lending. By a wide bipartisan majority, Americans think fintech products including EWA should comply with rules that apply to other lenders.[7]

Arizona Rejected Payday Lending

Arizona is one of the 21 states plus the District of Columbia that prohibits payday loans or cap annual interest rates on payday loans at 36 percent or less. Additional states, such as Minnesota and New Mexico, cap payday loans at double-digit rates far lower than the typical EWA loan. These protections were won by ballot initiatives, bills closing loopholes exploited by payday lenders, repeal of laws permitting triple-digit rates for payday loans, and by states enforcing existing usury laws.

The Arizona "deferred presentment" law enacted in 2000 authorized single-payment loans secured by the borrower's check held for future deposit at a cost of over 450 percent for a two-week loan. While payday lending was legal in Arizona, lenders had no incentive to "rent" a bank charter to charge triple-digit rates. However, Arizona's law included a sunset provision that the legislature refused to repeal, so the industry turned to a ballot imitative to stay in business. Arizona voters voted 60 to 40 percent against the payday lenders' Prop 200 in 2008. As a result, Arizona's ten-year experiment with payday lending sunset June 30,2010. The Arizona Department of Financial Institutions (now Department of Insurance and Financial Institutions) issued an advisory that former payday lenders, including out-of-

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[6] OppFi Investor Presentation, June 2026, at oppfi-investor-presentation-June-2026-FINAL.pdf
Slide 8, plans to expand offerings to Earned Wage Access products.
[7] Lake Research Partners, Polling Memo, June 25, 2026, at poll-lake-research-ewa-jun2026.pdf

state online lenders, are required to obtain a license as a Consumer Lender and to comply with Arizona's usury law.[8]

Preserve State Usury Laws and Consumer Protections

The Republican-led Arizona legislature has refused to reauthorize the usury carve out for payday loans and has not authorized any new forms of high-cost credit since payday and car title loans were authorized in 2000.[9] Bills to raise rates and fees on Consumer Lender loans have failed. The Arizona legislature has repeatedly rejected bills to authorize EWAs outside Consumer Lender law protections.

All this progress will be nullified if predatory payday and installment lenders are permitted to acquire a national bank charter to export usury to all 50 states. The new business model will become "buy-a-bank" federalized usury.

Federal Bank Regulators Stopped Rent-a-Bank Lending Twenty Years Ago

We were fighting predatory lending in the early 2000's when the first wave of rent-a-bank lending flourished. Each of your agencies took steps to stop the banks you supervised from aiding payday lenders, through informal action, denial of bank holding company charters, guidelines that made these loans unattractive to lenders.

Federal Bank Regulator Guidelines Curbed Bank Involvement in Payday Lending

Guidance: Office **of Comptroller of the Currency** (OCC) and **Office of Thrift Supervision** (OTS) issued advisories to banks and thrifts in 2000. The OCC Advisory Letter stated that the OCC "is issuing this advisory letter to ensure that any national bank that engages in payday lending does so in a safe and sound manner and does not engage in abusive practices that would increase the compliance, legal, and reputation risks associated with payday lending and could harm the bank's customers." After describing the various forms

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[8] Arizona Department of Insurance and Financial Institutions, CL/CO-16-1 Regulator and Consumer Alert, "Re: Unlicensed Consumer Lending Transactions," June 9, 2016 at FE-AD-PO-Regulatory_and_Consumer_Alert_CL_CO__06 09-16-2016.pdf

[9] CEI Brief, "Arizona Lawmakers Said No To Usury Since Prop 200 Vote In 2008," January 2026 at 2026 AZ Factsheet No on Usury since 2008

of bank/lender arrangements being used, the OCC stated, "Payday lenders entering into such arrangements with national banks should not assume that the benefits of a bank charter, particularly with respect to the application of state and local law, would be available to them."[10]

The **Office of Thrift Supervision** issued a Memorandum for Chief Executive Officers regarding Title Lending[11] and Payday Lending[12] on November 27, 2000. The OTS explained that vehicle title loan companies were approaching depository institutions urging them to enter into a contractual arrangement to fund title loans, causing the OTS to have a variety of safety and soundness, compliance, and consumer protection concerns regarding title lending programs and warned of close supervision and enforcement actions where appropriate. The OTS stated: "Associations should not 'lease' their charter out to nonthrift entities through an agreement that allows the nonthrift entity to circumvent state and local law. Some third-party providers may target associations to act as delivery vehicles for certain products and services to circumvent state laws that would otherwise apply to their activities.

Federal Deposit Insurance Corporation (FDIC) Guidance: The FDIC supervised by far the largest number of banks that partnered with payday lenders but was the last federal regulator to issue guidance for bank/lender arrangements, issuing rules in two phases. The first set of guidelines for state-chartered banks, issued in July 2003, imposed regulatory requirements on banks that partnered with payday lenders but did not prohibit these bank-third party arrangements. The FDIC issued revised guidelines in March 2005 that set a limit on the number of loans banks could make to three months of payday loan debt in a twelve-month period or six typically two-week loans in a year. Banks were expected to offer appropriate installment loans to borrowers caught in a payday loan debt trap. The FDIC told banks that they were responsible for their payday lender partners' activities and compliance with the law. In a short period of time, the additional FDIC limits and

[10] Office of Comptroller of the Currency, "OCC Advisory Letter: Payday Lending," AL 2000-10 at https://www.occ.gov/static/news-issuances/memos-advisory-letters/2000/advisory-letter-2000-10.pdf
[11] Office of Thrift Supervision, Memorandum for Chief Executive Officers from Richard M. Riccobono, "Title Loan Programs," November 27, 2000, at https://www.occ.gov/static/news-issuances/ots/ceo-memos/ots-ceo-memo-131.pdf
[12] Office of Thrift Supervision, memorandum for Chief Executive Officers from Richard M. Riccobono, "Payday Lending," November 27, 2000.

requirements stopped banks from "renting" their charters to lenders.[13] Within a few months in 2006, no FDIC-supervised state banks were partnering with payday lenders.

Federal Reserve Board (FRB): The Federal Reserve did not issue guidance to state-chartered member banks. Fed Chairman Alan Greenspan in a letter to Rep. Melvin Watt, January 2, 2001, stated that payday lending guidance was not necessary "(g)iven the very limited number of instances of payday lending that we have seen in the institutions we supervise about this type of lending." He went on to say: "since state member banks could become more involved in payday lending and since activities such as 'charter renting' have potential to circumvent state law, the Board will continue to monitor these activities closely."[14]

Federal Bank Regulators' Supervision and Enforcement Actions

Consumer organizations complained that **First Bank of Delaware**, a Federal Reserve member state-chartered bank located in Wilmington, Delaware, made payday loans with several third-party lenders, including Dollar Financial Group which had been cited by the OCC for using a national bank in an unsafe and unsound manner. The Federal Reserve apparently responded with close scrutiny of the bank. First Bank of Delaware said in a Securities and Exchange Commission filing that it ended its affiliation with a payday lender due to "materially increased regulatory requirements" while a state-chartered member bank.[15]

The OCC entered a consent order with **Eagle National Bank** in Upper Darby, PA which partnered with Dollar Financial Group to cease all payday loan origination, loan renewal, loan rollover and loan refinancing and reduce all outstanding payday loans and participations in payday loans to zero by June 15, 2002.[16]

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[13] Sheila Bair, "Low-Cost Payday Loans: Opportunities and Obstacles," Annie E. Casey Foundation, June 2005, p. 16.

[14] Letter from FRB Chairman Alan Greenspan to the Honorable Melvin L. Watt (January 2, 2001) cited in Sheila Bair report "Low-Cost Payday Loans: Opportunities and Obstacles," Annie E. Casey Foundation, June 2005, p. 14.

[15] Republic First Bancorp Inc., Form 8-K, Securities and Exchange Commission (June 27, 2003), cited in Sheila Bair report "Low-Cost Payday Loans; Opportunities and Obstacles," Annie E. Casey Foundation, June 2005, p. 14.

[16] Office of Comptroller of the Currency, Consent Order, Eagle National Bank, Upper Darby, PA, #2001-104, 12/18/01 at https://occ.gov/static/enforcement-actions/ea2001-104.pdf

The OCC issued a consent order in 2002 against **Goleta National Bank**, which partnered with ACE Cash Express, Inc. to make payday loans. The consent order noted that the Comptroller intended to charge the bank with violating the Equal Credit Opportunity Act and regulations; 12 C.F.R. Part 226, the safety and soundness guidelines in 12 C.F.R. Appendix A of Part 30 and with violations of the customer privacy protections in Gramm-Leach-Bliley Act, among other charges.[17]

The OCC entered into a consent order with **Peoples National Bank** in Paris, Texas in 2003, regarding lending via Advance America and National Cash Advance Centers, Inc. in North Carolina and Pennsylvania. The OCC was prepared to charge the bank with violating the Truth in Lending Act, the Equal Credit Opportunity Act, and unsafe or unsound management of the vendor that provided services related to payday loans. The bank was ordered to cease all actions related to the origination, renewal or rollover of payday loans, to pay a civil money penalty of $175,000, and to correct violations of law.[18]

The OCC entered a consent order with **First National Bank in Brookings**, involving payday lending with Cash America International and First American Holdings as well as credit card operations, citing violations of Truth in Lending Act and the safety and soundness guidelines at 12 C.F.R. Part 30, Appendix A. The bank was required to terminate its payday loans in any state or the District of Columbia within 90 days of the order.[19]

The FDIC's Notice of Charges filed against **First Bank of Delaware** listed violations including the Electronic Fund Transfer Act in connection with a Check 'n Go loan that required payment via electronic funds transfer. The FDIC also found that the bank was engaged in unsafe and unsound banking practices "in that the Bank has been operating its NCP Division without effective oversight by the Bank's board of directors (Board) and without adequate supervision by the Bank's senior management of the NCP Division's third-party lending programs and third-party providers it utilizes." The FDIC filed a cease

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[17] Office of Comptroller of the Currency, Consent Order, Goleta National Bank, Goleta, CA, EA #2002-93, 10/28/02 at https://occ.gov/static/enforcement-actions/ea2002-93.pdf
[18] Office of Comptroller of the Currency, Consent Order, Peoples National Bank, Paris, Texas, #2003-2, 1/30/03 at https://occ.gov/static/enforcement-actions/ea2003-2.pdf
[19] Office of Comptroller of the Currency, Consent Order, First National Bank in Brookings, #2003-1, 1/17/03, at https://occ.gov/static/enforcement-actions/ea2003-1.pdf

and desist order in which First Bank of Delaware agreed in 2008 to terminate its third-party lending programs and relationships with third-party providers including Avante Teladvance, Inc. d/b/a Check 'n Go Online; CashCall, Inc.; and TC Loan Service, LLC d/b/a ThinkCash. [20]

The FDIC issued an order to cease and desist against **County Bank of Rehoboth, Delaware** due to unsafe or unsound banking practices in its "Short Term Loan Program", engaging in hazardous lending practices that included allowing individuals other than the named borrower to execute loan documents, allowing Merchants to circumvent paydown requirements, and allowing Merchants to circumvent cooling off periods, among other charges.[21]

As a result of extensive supervision, enforcement and guidance, federal bank regulators stopped banks from "renting" their charters to payday lenders who sought to evade state usury laws and consumer protections. This effort was nonpartisan, focused and ultimately successful twenty years ago.

Authorizing Buy-A-Bank Predatory Lending Will Harm Banks and Regulators

The guidance and enforcement actions detailed above reflect the long effort across many administrations to keep payday lending and other types of predatory lending out of the banking system. Granting OppFi's application would reverse that hard fought progress and make the national bank charter a means of predatory lending. OppFi's stated aim of entering the "earned wage access" business – a form of payday lending[22] – increases this concern.

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[20] FDIC, In the Matter of First Bank of Delaware, Notice of Charges for an Order to Cease and Desist, Order for Restitution, and Order to Pay, FDIC-07-256b, FDIC-07-257k, June 10, 2008. [FDIC Seeks in Excess of $200 Million Against Credit Card Company and Two Banks for Deceptive Credit Card Marketing] See also, Notice of Charges, FDIC-07-256b and FDIC-07-257k, June 15, 2008, Exhibit A, [07-265b, 07-257k Notice.pdf].

[21] FDIC, Order to Cease and Desist, County Bank, Rehoboth, Delaware, FDIC-04-274b, March 11, 2005. See, also, "First Bank of Delaware to Exit Payday Loan Program," September 12, 2006, at [First Bank of Delaware to Exit Payday Loan Program - insideARM]

[22] See National Consumer Law Center, "Courts Reject Claims that Payday Loan Apps Don't Offer Loans," (to be updated July 2026) (15 out of 15 courts reject claims that earned wage access products are not loans) at [Courts Reject Claims that Payday Loan Apps Don't Offer Loans - NCLC]

While all high-cost lenders do not have the resources to apply for a bank charter, OppFi and Enova are not the only requests you will face. As long as one state fails to protect borrowers, buying a national bank to evade state consumer protections and usury laws will become the preferred business model for this industry. “Buy-a-Bank” success will lead to a campaign to revoke national banks’ exportation and preemption rights, louder calls for a national usury cap that mirrors the Military Lending Act, and serious damage to responsible banks.

We respectfully urge you to deny OppFi’s petition.

Sincerely,

Kelly Griffith

Executive director

Jean Ann Fox

Advisor