OFFICE OF THE ATTORNEY GENERAL
STATE OF ILLINOIS

KWAME RAOUL
ATTORNEY GENERAL

August 5, 2026

Submitted Via Email
Benjamin W. McDonough
Secretary of the Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, D.C. 20551

Re: Comment on Opportunity Financial's Application to Become a Bank Holding Company by Acquiring BNCCORP, Inc., 91 FR 42961 (July 10, 2026)

Dear Mr. McDonough:

We, the undersigned state attorneys general for Illinois, Arizona, California, Connecticut, District of Columbia, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, and Washington submit this comment urging the Board of Governors of the Federal Reserve System (Board) to deny Opportunity Financial (OppFi)'s application to become a bank holding company by acquiring BNCCORP, Inc. Approving this application would result in enabling OppFi to circumvent longstanding, bipartisan state usury laws by becoming a bank holding company. Considering OppFi's lending practices, this possibility is alarming. As state attorneys general, we have a long history of protecting consumers from loans that carry high interest rates—from traditional payday lenders to emerging non-bank financial technology companies. We, as state enforcers, can and must protect against high-interest loans for the safety of consumers and the soundness of our banking system. The majority of states have spoken—we do not want high-interest installment loans like the ones OppFi offers harming our consumers. We implore that the Board listen and deny OppFi's attempt to expand high-interest loans throughout the country.

I. OppFi has a deep history of engaging in harmful, high-interest lending.

OppFi's business centers entirely around a single service—providing high-interest loans to vulnerable consumers who may be struggling financially or have low credit scores. OppFi currently offers online installment loans from $500 to $5,000 with interest rates reaching nearly

200% APR.[1] For an already struggling consumer, this means they might borrow $4,000 from OppFi at 160% APR, which would ultimately cost them at least $10,712.52 when paid back over an 18-month period.[2]

Consumers feel the impact of OppFi's triple-digit interest rates beyond their wallets. OppFi's high-interest loans frequently cause borrowers to default. The company itself reports that, in 2024, its default rate was 27.5% of its outstanding principal and OppFi charged off 51.4% of average receivables.[3] Defaulting on loans can lead to dramatically lower credit scores, negatively impacting a consumer's financial health. Consumers complain that these effects are exacerbated by OppFi's practices of unlawfully assigning debts to unlicensed debt collectors and inaccurately reporting loan activity to credit bureaus. Many consumers avoid default by refinancing, but serial refinancings lead consumers into long cycles of very high-cost borrowing—another aspect of OppFi's business model. The Attorney General for the District of Columbia alleged in a 2021 Complaint that approximately half of OppFi borrowers refinance, with the average customer needing to refinance more than two times.[4] Despite all evidence to the contrary, OppFi advertises its loans as affordable,[5] claiming its loans provide a "better financial future," and that its mission is to facilitate "more affordable credit" for Americans who are "rebuilding their financial health."[6] It highlights the "affordability" of its loans by comparing them to payday loans with 400% APRs.[7]

OppFi's harmful practices aren't isolated. Currently, OppFi lends to consumers in 39 states at interest rates that are illegal in up to 45 states and D.C. It attempts to circumvent state law by engaging in "rent-a-bank" schemes, whereby OppFi partners with three banks chartered in Utah—[8] a state that does not have a hard interest rate cap.[9] Through these partnerships, OppFi

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[1] OppLoans, FAQs, *available at:* https://www.opploans.com/faqs/ (last visited July 15, 2026) [hereinafter OppFi FAQs]; OppLoans, Rates and Terms, *available at:* https://www.opploans.com/rates-and-terms/illinois/ (last visited July 15, 2026) [hereinafter OppFi Rates and Terms].

[2] OppFi Rates and Terms, *supra* note 1.

[3] Center for Responsible Lending, *available at:* Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt (Jan. 27, 2026) [hereinafter Lost Opportunities] (citing OppFi, Q3 2024 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_events/2024/11/1/OppFi-Q3-2024-Earnings-Presentation_vF.pdf (Nov. 7, 2024), at 9 and 13). This is consistent with allegations made by the Attorney General of the District of Columbia, whose 2021 Complaint against OppFi stated that up to a third of its customers default. Complaint, *District of Columbia v. Opportunity Financial* (DC Super. Ct. Apr. 5, 2021) *available at*: https://oag.dc.gov/sites/default/files/2021-04/OppLoans-Complaint-final.pdf, at ¶ 33 [hereinafter DC Complaint].

[4] DC Complaint, *supra* note 3, at ¶ 38. The Complaint further alleged that OppFi makes 75% of its pre-tax income from borrowers refinancing.

[5] *See*, *e.g.*, *id.* § III(A) (discussing how OppFi advertises its loans as more affordable than payday loans and that they will help consumers build their credit histories).

[6] OppLoans, Personal Loans, *available at:* https://www.opploans.com/personal-loans/ (last visited July 15, 2026); OppFi, https://www.oppfi.com/ (last visited July 15, 2026).

[7] *Id.*

[8] OppFi FAQs, *supra* note 1.

[9] Utah Code § 70C-7-106; Utah Department of Financial Institutions, *available at:* https://dfi.utah.gov/general-information/consumer-tips/interest-rates/ (last visited July 15, 2026).

originates its loans in the name of Utah-chartered banks to attempt to take advantage of federal law, which allows for state-chartered banks to apply their home state's interest rate to borrowers nationwide.[10] However, these arrangements often draw legal scrutiny that high-cost lenders are motivated to avoid.[11] Now, OppFi seeks Board approval to become a bank holding company by acquiring BNCCORP, Inc. and permission from the Office of the Comptroller of the Currency (OCC) to acquire and merge with nationally chartered BNC National Bank to form OppFi Interim Bank, National Association, whose headquarters will also be in Utah.[12] In its own investor presentation materials from June 2026, OppFi acknowledged that its plan to acquire BNCCORP, Inc. is designed to lead to "expansion to all 50 states."[13] The goal here is clear—OppFi seeks to lower funding costs and take advantage of the National Bank Act's provision allowing nationally chartered banks to charge the maximum interest rate permitted in their home states.[14] In doing so, OppFi could maximize profits by offering usurious loans across all 50 states without the burden and legal challenges associated with "rent-a-bank" schemes.

II. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would impede state attorneys general from protecting consumers by extending federal preemption to OppFi and potentially to other high-interest lenders.

a. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would allow it to preempt vital state-level consumer protections.

In the absence of any comprehensive federal law capping annual interest rates on loans, states have overwhelmingly chosen to protect their consumers by enacting and fervently enforcing usury laws. However, OppFi has built its entire business on circumventing states' intentions to protect consumers from high-cost loans by using rent-a-bank schemes to export high interest rates from the few states that allow such practices to the many whose laws prohibit it.[15] In recent years, state attorneys general and other state enforcers have used a number of methods to combat this harmful practice.

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[10] 12 U.S.C. § 1831d.

[11] *See, e.g., Opportunity Financial, L.L.C. v. Hewlett*, No. 22STCV08163 (Cal. Super. Ct.); *Dist. of Columbia v. Elevate*, 554 F. Supp. 3d 125, 132 (D.D.C. 2021).

[12] Office of the Comptroller of the Currency, Corporate Applications Search, *available at:* https://apps.occ.gov/CAS/home/details?FilingTypeID=11&FilingID=346751&FilingSubtypeID=1042 (last visited July 16, 2026).

[13] OppFi, Investor Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_presentations/2026/06/16/oppfi-investor-presentation-June-2026-FINAL.pdf (June 2026), at 8–9, 11.

[14] 12 U.S.C. § 85.

[15] Currently, OppFi offers its loans to consumers in 39 states. Thirty-seven of these states have state laws that cap interest rates on consumer loans. *See*, OppFi Rates and Terms, *supra* note 1; National Consumer Law Center, *State Annual Percentage (APR) Caps for $500, $2,000, and $10,000 Installment Loans* (Dec. 2025), *available at:* https://www.nclc.org/wp-content/uploads/2022/08/202512_Fact-Sheet_APR-Caps-for-Installment-Loans.pdf.

First, states have turned to their enforcement authority to challenge non-bank lenders partnering with state-chartered banks to evade state interest caps. For example, as mentioned above, the Attorney General for the District of Columbia sued OppFi in 2021 alleging that the company had deceptively marketed its products and provided thousands of usurious loans to District consumers.[16] In the resulting settlement, OppFi agreed to stop providing loans to District consumers above the District's 24% usury cap, and OppFi paid almost $2 million in restitution and penalties and waived over $600,000 in past-due interest on District loans.[17]

OppFi itself recognizes the legal instability of exporting high-interest loans in direct contravention of state law. For example, OppFi noted in a filing to the United States Securities and Exchange Commission (SEC) that it risks "litigation, government enforcement or other challenge, for example, based on claims that bank lenders were not the 'true lender' and therefore, the usury, fee, and disclosure requirements of the borrower's state or residence rather than the home state of the bank partner should apply."[18] OppFi recognizes that its current method of partnering with state-charted banks to export usuriously high interest rates opens itself up to state enforcement actions that, if successful, may cause loans to be "unenforceable, subject to rescission, modification, or otherwise impaired" and may subject OppFi or other program participants to "fines, judgments, and penalties," all of which "would adversely affect [OppFi's] business."[19] For OppFi, gaining a national bank charter and becoming a bank holding company squashes these legal risks and prevents state usury-based enforcement actions that threaten OppFi's high-interest business model.

States are also increasingly pursuing their ability to prevent out-of-state, state-chartered banks from preempting their state interest rates limits, which poses further threat to OppFi's rent-a-bank model. The Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA) allows state-chartered banks to export the interest rates permitted in their home states when lending in other states.[20] But DIDMCA also importantly allows states to opt out of this preemptive scheme.[21] DIDMCA only applies to state-chartered banks, so the opt-out option would not be applicable if OppFi became a nationally chartered bank. OppFi noted the risk of DIDMCA opt-outs to its bottom line in an SEC filing, saying, "certain states have or are considering opting out of [DIDMCA]" and "if any loan made through OppFi's platform by a bank partner were deemed for any reason to be subject to the usury laws of a state or U.S. territory where a borrower is located rather than the bank partner's home state" there could be an

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[16] DC Complaint, *supra* note 3.

[17] Office of Attorney General for the District of Columbia, *AG Racine Announces Over $2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers*, Nov. 30, 2021, *available at:* https://oag.dc.gov/release/ag-racine-announces-over-2-million-settlement.

[18] OppFi Inc., *Form 10-K U.S. Securities and Exchange Commission*, pg. 43, Mar. 12, 2026, *available at:* https://www.sec.gov/Archives/edgar/data/1818502/000181850226000019/opfi-20251231.htm#i1f29095cb85b4608b42cd7f2db6fda1d_31 [hereinafter Form 10-K].

[19] *Id*.

[20] 12 U.S.C. § 1831d.

[21] 12 U.S.C. 1831d note. *See also*, 84 Fed. Reg. 66845 (Dec. 6, 2019) and 85 Fed. Reg. 44146 (July 22, 2020).

"adverse[] impact [on] OppFi's growth."[22] Once again, OppFi is aware what options states have to protect consumers against its high-interest loans and now wants to eliminate these options by becoming a national bank and bank holding company.

Other states have turned to their legislators to help fight high-interest lenders like OppFi. For example, some states enacted usury laws with strong anti-evasion provisions or amended preexisting laws to insert such language.[23] If the OCC were to grant a national bank charter to OppFi and the Board were to allow OppFi to become a bank holding company, these efforts would be all for naught. Federal preemption would override these legitimate state laws with no equal replacement because currently there are no federal laws capping interest rates for all consumers.

OppFi recognizes the legal instability of its core business model and now seeks a national bank charter and to become a bank holding company to access the resulting federal preemption to erode state autonomy and eliminate state attorneys general's options to challenge OppFi's usurious lending. If the OCC grants OppFi a national bank charter and the Board allows OppFi to become a bank holding company, all the above methods to protect consumers from OppFi's usurious loans, and more, would be stripped from states.

b. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would set a dangerous precedent and could allow other non-bank lenders to cloak themselves in federal preemption, thus limiting state attorneys general's enforcement capabilities.

In the early 2000s, the federal government, including the Board's fellow prudential regulators, began to crack down on national banks enabling non-bank lenders to make loans that clearly violated state law. For example, the OCC called this scheme an "abuse of the national bank charter,"[24] and the Federal Deposit Insurance Corporation issued guidance highlighting the risks that may occur when banks partner with high-interest payday lenders.[25] The federal government clearly recognized the trust, confidence, and privilege that came with a national bank charter.

The concerns expressed by the prudential regulators ring just as true now as they did 25 years ago with one major difference. Now, instead of attempting to partner with a national bank to circumvent state laws, high-interest lenders like OppFi want to become national banks and bank holding companies to circumvent state laws. Granting OppFi a national bank charter and approving OppFi's application to become a bank holding company would allow the fox into the hen house. The Board would be creating a dangerous precedent by conferring the privilege of becoming a bank holding company to a business whose main product charges consumers nearly 200% APR, carries high rates of default and debt entrapment, and brazenly violates state interest

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[22] Form 10-K, *supra* note 18, at 16.

[23] *See, e.g.,* 815 ILCS 123/15-5-15; 2021 L.D. 522 (S.P. 205); 2023 S.F. No. 2744.

[24] Office of the Comptroller of the Currency, Bulletin No. 2001-47, *Third-Party Relationships: Risk Management Principles* (Nov. 1, 2001), *available at:* https://www.occ.gov/static/rescinded-bulletins/bulletin-2001-47.pdf.

[25] Federal Deposit Insurance Corporation, FIL-14-2005, *Guidelines for Payday Lending* (November 2015), *available at*: https://www.fdic.gov/news/inactive-financial-institution-letters/2005/fil1405a.html.

rate caps. By way of comparison, OppFi loans carry interest rates that are nearly 17 times higher than loans offered by commercial banks. For example, in May 2026 the average APR on a two-year loan from a commercial bank sat at 11.86%.[26] Granting a national bank charter to OppFi and allowing it to become a bank holding company could also further perpetuate this harmful lending by opening the door for non-bank lenders to seek OppFi's partnership to evade state laws in their own lending operations. Whether setting a new precedent for alarmingly high-interest lending at the national bank level, or enabling other usurious non-bank lenders, if the Board grants this application, the potential for more consumer harm by way of less state enforcement is assured.

III. Granting OppFi a national bank charter and allowing OppFi to become a bank holding company would erode the integrity of the banking system, introduce risk, and contravene requirements to meet the needs of local communities.

a. *OppFi's practices are not compatible with the purpose of federal bank charters and bank holding companies or the lending practices of national banks, thus degrading the integrity of national banks and raising safety and soundness concerns*.

In addition to the consumer harm and erosion of state protections discussed above, the Board should also deny OppFi's application because it would undermine the integrity of the national bank charter and adversely impact the entire banking system. Granting high-cost lenders like OppFi access to the Federal Reserve System and bank holding company status would amplify systemic risk by embedding these organizations' risky business models into the fabric of the financial system. The OCC has historically maintained lending standards that have kept national banks out of triple-digit APR lending.[27] It would be a departure from those standards if the OCC and the Board were to permit the creation of a 100%+ APR national bank and bank holding company. Approving OppFi's application would flood the marketplace with OppFi's risky loans, which would in turn exacerbate risk to the financial system and the economy.

As the central bank of the United States, the Federal Reserve has several responsibilities, which include "supervising and regulating banks and other important financial institutions to ensure the safety and soundness of the nation's banking and financial system and to protect the credit rights of consumers" and "maintaining the stability of the financial system and containing systemic risk that may arise in financial markets."[28] Authorizing OppFi to become a bank holding company to expand its predatory lending practices would directly contravene these responsibilities and the historic purpose for national banks and bank holding companies.

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[26] Board of Governors of the Federal Reserve System (US), *Finance Rate on Personal Loans at Commercial Banks, 24 Month Loan* [TERMCBPER24NS], retrieved from FRED, Federal Reserve Bank of St. Louis; *available at:* https://fred.stlouisfed.org/series/TERMCBPER24NS.

[27] *See. e.g.* OCC Bulletin 2013-40, "Guidance on Supervisory Concerns and Expectations Regarding Deposit Advance Products," *available at*: https://www.occ.gov/news-issuances/federal-register/2013/78fr70624.pdf; OCC Advisory Letter 2000-10, Payday Lending, *available at*: https://www.occ.gov/news-issuances/advisory-letters/advisory-letter-2000-10.pdf.

[28] *About the Fed*. Board of Governors of the Federal Reserve System, *available at:* https://www.federalreserve.gov/faqs/about_12594.htm.

OppFi's loans are risky, unsafe, and unsound. For example, appropriate underwriting for ability to repay is a core requirement for safe and responsible lending. In fact, the 2020 Interagency Lending Principles for Offering Responsible Small-Dollar Loans provide that, "[r]esponsible small-dollar loan programs generally reflect . . . [a] high percentage of customers successfully repaying . . . in accordance with original loan terms, which is a key indicator of affordability . . . and appropriate underwriting."[29] OppFi practices run afoul of these principles—it issues loans to borrowers without an adequate ability-to-repay analysis, and consequently, borrowers often default and refinance. The core of OppFi's business model is offering unaffordable loans, given that nearly a third of its customers default.[30] OppFi's 2025 charge-off rates were nearly 50%,[31] which further demonstrates that a high percentage of borrowers are unable to repay. Default and charge-off rates anywhere close to this level have never been tolerated in a national bank, and yet OppFi seeks approval to become a national bank and bank holding company for the express purpose of funding an exponentially greater number of high-cost loans in more places throughout the country.

The Interagency Lending Principles also define a responsible small-dollar loan as one with "Repayment terms, pricing, and safeguards that minimize adverse customer outcomes, including cycles of debt due to rollovers or reborrowing,"[32] but frequent rollovers and refinancing are built into OppFi's business model. According to the Complaint filed by the Attorney General of the District of Columbia, 75% of OppFi's income comes from refinancing.[33] In fact, despite the high rates of default and charge-off noted above, OppFi set new company records for income, revenue and receivables in 2025.[34] This underscores the reality that, instead of offering "[r]epayment outcomes and program structures that enhance a borrower's financial capabilities,"[35] OppFi profits off of triple-digit interest rates and repeat refinancing, trapping consumers into cycles of reborrowing.

Following the 2008 financial crisis, Congress added financial stability considerations to the Bank Holding Company Act that required regulators to consider a charter's potential risk to the stability of the financial and banking system. The Bank Holding Company Act explicitly states that "in every case, the Board shall take into consideration the extent to which a proposed

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[29] Interagency Lending Principles for Offering Responsible Small Dollar Loans, May 2020, *available a*t: https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-65a.pdf [hereinafter Interagency Lending Principles].

[30] OppFi Q3 2024 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_events/2024/11/1/OppFi-Q3-2024-Earnings-Presentation_vF.pdf.

[31] Form 10-K, *supra* note 18, at 73.

[32] *Id.*

[33] DC Complaint, *supra* note 3.

[34] OppFi Q3 2025 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_financials/2025/q3/2025-Q3-Earnings-Presentation-Final-102825.pdf.

[35] Interagency Lending Principles, *supra* note 29.

acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system."[36]

Allowing OppFi, and potentially others with similar lending models, to become a national bank would create serious risks to the financial stability of the US banking system. If allowed to go forward, OppFi would have access to federal deposit insurance, the Federal Reserve Discount Window, and exemptions from many state consumer protection laws, including but not limited to state interest rate limits. Through its proposed acquisition of BNC and its application to become a bank holding company, OppFi seeks the imprimatur of being a regulated bank while expanding its exploitative business model of providing unaffordable high-cost loans to consumers and small businesses. This model lends itself to an increased risk of litigation and credit losses which could pose safety and soundness concerns. An exponential increase in risky loans has implications beyond harm to the individual consumer and threatens the health of the financial system. Allowing OppFi entry into the US banking system is too risky for communities, consumers, small businesses, and the banking system as a whole.

b. OppFi's lending practices do not meet the needs of low- and moderate-income neighborhoods in contravention of the Community Reinvestment Act.

When reviewing merger applications, the Bank Merger Act requires regulators to consider the convenience and needs of the communities to be served.[37] Likewise, Community Reinvestment Act (CRA) performance must be evaluated when regulators are considering applications for bank mergers and acquisitions.[38] The CRA requires federal financial supervisory agencies to assess an institution's record of helping to meet the credit needs of local communities in which they do business—including low- and moderate-income neighborhoods—consistent with safe and sound operation of the institution.[39] The implementing regulation for the CRA specifies, "Banks and savings associations are permitted and encouraged to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income geographies or individuals, **only if consistent with safe and sound operations**."[40] If consumer lending constitutes a substantial majority of a bank's business, the regulator will evaluate the bank's consumer lending, in addition to its mortgages, small business and farm loans, and community development loans.[41]

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[36] 12 USC §1842(c)(7).

[37] 12 U.S.C. § 1828(c)(5).

[38] 12 C.F.R. § 25.29. While BNC was evaluated for its CRA performance by the OCC in 2025 and achieved a "Satisfactory" rating, a CRA analysis for the new merger institution would bear little in common with this rating, as the nature of the institution's business under the merger would change entirely. Office of the Comptroller of the Currency, Community Reinvestment Act Performance Evaluation, BNC National Bank (Oct. 20, 2025), *available at:* https://www.occ.gov/static/cra/craeval/apr26/24224.pdf.

[39] 12 U.S.C. §§ 2901–2908; 12 C.F.R. § 25 (regulation implementing the CRA under the OCC); 12 C.F.R. § 228 (regulation implementing the CRA under the Federal Reserve System); 12 C.F.R. § 345 (regulation implementing the CRA under the FDIC); Federal Reserve, Community Reinvestment Act, *available at:* https://www.federalreserve.gov/consumerscommunities/cra_about.htm (last updated March 28, 2024).

[40] 12 C.F.R. § 25.21(f) (emphasis added); 12 C.F.R. § 228.21(d) (emphasis added).

[41] 12 C.F.R. § 25.22; 12 C.F.R. § 228.22.

As noted above, OppFi states that its entire mission is to serve the needs of communities that are struggling financially—whether due to low credit scores, low income, or other circumstances. However, data and basic logic both demonstrate that OppFi's products do not meet the needs of these communities—in fact, they inflict further harm on consumers who are already struggling financially.

OppFi provides loans to consumers whose credit applications are denied, who face difficulties paying bills, who lack adequate savings.[42] OppFi claims to meet their needs by helping rebuild their financial health.[43] One indicator of whether OppFi's loans meet this need is the percentage of borrowers who successfully repay their loans—or conversely, the percentage of borrowers who default. As noted above, nearly one-third of OppFi borrowers default on their loans, and OppFi's latest charge-off rates were nearly 50%. Rather than recognizing this as an indicator that OppFi's loans are unaffordable and causing harm to its consumers, OppFi's CEO explained in a 2022 earnings call that OppFi "feel[s] really good about" charge-off rates in the low 40s or high 30s and added, "we'll always strive to kind of target that and hit that metric."[44] By comparison, the Federal Reserve Bank of St. Louis looked at all commercial banks and found that in the first quarter of 2026 the average charge-off rate was merely 2.64%—or nearly 20 times lower than OppFi's rate.[45]

OppFi's loans are not helping borrowers achieve financial health, they are instead extending borrowers' indebtedness. This is evidenced by the rate at which borrowers refinance, as previously described. When refinancing OppFi loans, as the company explains on its website, "your interest rate generally will not change" and "this will result in paying back more over time, including interest."[46] When consumers refinance an OppFi loan they are generally applying to "borrow the difference between the existing loan amount and what they've already paid toward the principal."[47] As a result, the refinanced loan then covers the "current balance plus any additional amount you borrow."[48] When the Center for Responsible Lending reviewed nearly 5,000 consumer transactions dating up to May 2025 associated with over 200 OppFi borrowers, it found that approximately 34% refinanced their loans at least once, and those that did so tended to refinance at least two times, with 10% refinancing five or more times.[49] As noted earlier, the Attorney General for the District of Columbia found that that approximately half of OppFi

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[42] OppFi, *available at:* https://www.oppfi.com/ (last visited July 17, 2026).

[43] *Id.*

[44] Lost Opportunities, *supra* note 3, at 9 (citing a 2022 OppFi investor call transcript, OppFi Inc. (OPFI) Q3 2022 Earnings Call Transcript, (Nov. 2022), Seeking Alpha, *available at:* https://seekingalpha. com/article/4555683-oppfi-inc-opfi-q3-2022-earnings-call-transcript).

[45] Board of Governors of the Federal Reserve System (US), *Charge-Off Rate on Consumer Loans, All Commercial Banks* [CORCACBS], retrieved from FRED, Federal Reserve Bank of St. Louis; *available at*: https://fred.stlouisfed.org/series/CORCACBS.

[46] OppLoans, Refinance, *available at:* https://www.opploans.com/opploans-refinance/ (last visited July 16, 2026).

[47] *Id.*

[48] *Id.*

[49] Lost Opportunities, *supra* note 3, at 7.

borrowers refinance, with the average customer needing to refinance more than two times, as alleged in their 2021 Complaint.[50]

These facts and findings are all consistent with consumer experiences described in complaints submitted to state attorneys general, the Consumer Financial Protection Bureau, and the Better Business Bureau. These complaints repeatedly describe how consumers were left in a worse position after borrowing from OppFi. Consumers describe how OppFi's extremely high interest rates left them unable to pay off their debts, how their credit histories were damaged by inaccurate reporting to the credit bureaus, how OppFi refused to work with consumers to help them find solutions to pay down their principal in a sustainable way. Far from achieving financial health, consumers describe that these loans make it difficult for them to survive, that they necessitate further unsustainable borrowing just to keep up with payments.

The simple act of lending to consumers who cannot obtain traditional loans does not equate to meeting local credit needs. If the loan provided is so unaffordable that it forces the consumer into default or drives the consumer into further debt through repeated refinancing or additional high-interest borrowing, what need has been met? OppFi claims to help struggling Americans achieve financial health, but the data and the company's own words demonstrate the opposite—it helps to ensure their entrenchment in debt.

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Becoming a bank holding company and gaining a national bank charter are privileges, not rights, and these privileges should only be bestowed upon applicants that have a history of responsible, safe, and sound lending that complies with consumer protection laws—OppFi's practices are none of these things. Allowing OppFi to become a bank holding company would supercharge unaffordable high-cost lending with the legitimacy of Board approval. Approval of this application would deeply injure consumers, nullify vital state-level consumer protections, and threaten the national bank charter. OppFi has made it clear that this bank holding company would become a vehicle to fund more unsafe and unsound lending that is outlawed in the majority of states. Allowing such access to a nonbank with its history of high-cost, unaffordable lending, as well as a stated intention to continue offering high-cost products to consumers and small businesses, puts vulnerable consumers in harm's way while simultaneously reducing states' ability to protect them. It also inherently creates greater and more concentrated risks to the stability of the entire financial system. Neither consumers nor the banking system should be required to absorb or insure against those risks. OppFi's application should be denied because of the increased risks such a bank holding company would pose to consumers, the U.S. financial system, and the greater economy.

For the reasons above, we urge the Board to protect consumers and preserve the stability and integrity of our national banking system by denying OppFi's application to become a bank holding company.

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[50] DC Complaint, *supra* note 3, at ¶ 38.

Respectfully Submitted,

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August 5, 2026

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Re: Office of the Comptroller of the Currency's Request for Public Comment on Opportunity Financial's Application to Acquire and Merge with BNC National Bank [2026-Combination-346751]

Dear Comptroller Gould:

We, the undersigned state attorneys general for Illinois, Arizona, California, Connecticut, District of Columbia, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New York, North Carolina, Oregon, Rhode Island, Vermont, Virginia, and Washington submit this comment urging the Office of the Comptroller of the Currency (OCC) to deny Opportunity Financial (OppFi)'s application to acquire and merge with BNC National Bank (BNC). Approving this application would result in OppFi gaining a national bank charter, enabling it to circumvent longstanding, bipartisan state usury laws. Considering OppFi's lending practices, this possibility is alarming. As state attorneys general, we have a long history of protecting consumers from loans that carry high interest rates—from traditional payday lenders to emerging non-bank financial technology companies. We, as state enforcers, can and must protect against high-interest loans for the safety of consumers and the soundness of our banking system. The majority of states have spoken—we do not want high-interest installment loans like the ones OppFi offers harming our consumers. We implore that the OCC listen and deny OppFi's attempt to expand high-interest loans throughout the country.

I. OppFi has a deep history of engaging in harmful, high-interest lending.

OppFi's business centers entirely around a single service—providing high-interest loans to vulnerable consumers who may be struggling financially or have low credit scores. OppFi currently offers online installment loans from $500 to $5,000 with interest rates reaching nearly

200% APR.[1] For an already struggling consumer, this means they might borrow $4,000 from OppFi at 160% APR, which would ultimately cost them at least $10,712.52 when paid back over an 18-month period.[2]

Consumers feel the impact of OppFi's triple-digit interest rates beyond their wallets. OppFi's high-interest loans frequently cause borrowers to default. The company itself reports that, in 2024, its default rate was 27.5% of its outstanding principal and OppFi charged off 51.4% of average receivables.[3] Defaulting on loans can lead to dramatically lower credit scores, negatively impacting a consumer's financial health. Consumers complain that these effects are exacerbated by OppFi's practices of unlawfully assigning debts to unlicensed debt collectors and inaccurately reporting loan activity to credit bureaus. Many consumers avoid default by refinancing, but serial refinancings lead consumers into long cycles of very high-cost borrowing—another aspect of OppFi's business model. The Attorney General for the District of Columbia alleged in a 2021 Complaint that approximately half of OppFi borrowers refinance, with the average customer needing to refinance more than two times.[4] Despite all evidence to the contrary, OppFi advertises its loans as affordable,[5] claiming its loans provide a "better financial future," and that its mission is to facilitate "more affordable credit" for Americans who are "rebuilding their financial health."[6] It highlights the "affordability" of its loans by comparing them to payday loans with 400% APRs.[7]

OppFi's harmful practices aren't isolated. Currently, OppFi lends to consumers in 39 states at interest rates that are illegal in up to 45 states and D.C. It attempts to circumvent state law by engaging in "rent-a-bank" schemes, whereby OppFi partners with three banks chartered in Utah—[8] a state that does not have a hard interest rate cap.[9] Through these partnerships, OppFi

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[1] OppLoans, FAQs, *available at:* https://www.opploans.com/faqs/ (last visited July 15, 2026) [hereinafter OppFi FAQs]; OppLoans, Rates and Terms, *available at:* https://www.opploans.com/rates-and-terms/illinois/ (last visited July 15, 2026) [hereinafter OppFi Rates and Terms].

[2] OppFi Rates and Terms, *supra* note 1.

[3] Center for Responsible Lending, *available at:* Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt (Jan. 27, 2026) [hereinafter Lost Opportunities] (citing OppFi, Q3 2024 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_events/2024/11/1/OppFi-Q3-2024-Earnings-Presentation_vF.pdf (Nov. 7, 2024), at 9 and 13). This is consistent with allegations made by the Attorney General of the District of Columbia, whose 2021 Complaint against OppFi stated that up to a third of its customers default. Complaint, *District of Columbia v. Opportunity Financial* (DC Super. Ct. Apr. 5, 2021) *available at*: https://oag.dc.gov/sites/default/files/2021-04/OppLoans-Complaint-final.pdf, at ¶ 33 [hereinafter DC Complaint].

[4] DC Complaint, *supra* note 3, at ¶ 38. The Complaint further alleged that OppFi makes 75% of its pre-tax income from borrowers refinancing.

[5] *See*, *e.g.*, *id.* § III(A) (discussing how OppFi advertises its loans as more affordable than payday loans and that they will help consumers build their credit histories).

[6] OppLoans, Personal Loans, *available at:* https://www.opploans.com/personal-loans/ (last visited July 15, 2026); OppFi, https://www.oppfi.com/ (last visited July 15, 2026).

[7] *Id.*

[8] OppFi FAQs, *supra* note 1.

[9] Utah Code § 70C-7-106; Utah Department of Financial Institutions, *available at:* https://dfi.utah.gov/general-information/consumer-tips/interest-rates/ (last visited July 15, 2026).

originates its loans in the name of Utah-chartered banks to attempt to take advantage of federal law, which allows for state-chartered banks to apply their home state's interest rate to borrowers nationwide.[10] However, these arrangements often draw legal scrutiny that high-cost lenders are motivated to avoid.[11] Now, OppFi seeks to acquire and merge with nationally chartered BNC to form OppFi Interim Bank, National Association, whose headquarters will also be in Utah.[12] In its own investor presentation materials from June 2026, OppFi acknowledged that its plan to acquire BNC is designed to lead to "expansion to all 50 states."[13] The goal here is clear—OppFi seeks to take advantage of the National Bank Act's provision allowing nationally chartered banks to charge the maximum interest rate permitted in their home states.[14] In doing so, OppFi could maximize profits by offering usurious loans across all 50 states without the burden and legal challenges associated with "rent-a-bank" schemes.

II. Granting OppFi a national bank charter would impede state attorneys general from protecting consumers by extending federal preemption to OppFi and potentially to other high-interest lenders.

a. Granting OppFi a national bank charter would allow it to preempt vital state-level consumer protections.

In the absence of any comprehensive federal law capping annual interest rates on loans, states have overwhelmingly chosen to protect their consumers by enacting and fervently enforcing usury laws. However, OppFi has built its entire business on circumventing states' intentions to protect consumers from high-cost loans by using rent-a-bank schemes to export high interest rates from the few states that allow such practices to the many whose laws prohibit it.[15] In recent years, state attorneys general and other state enforcers have used a number of methods to combat this harmful practice.

First, states have turned to their enforcement authority to challenge non-bank lenders partnering with state-chartered banks to evade state interest caps. For example, as mentioned above, the Attorney General for the District of Columbia sued OppFi in 2021 alleging that the company had deceptively marketed its products and provided thousands of usurious loans to District

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[10] 12 U.S.C. § 1831d.

[11] *See, e.g., Opportunity Financial, L.L.C. v. Hewlett*, No. 22STCV08163 (Cal. Super. Ct.); *Dist. of Columbia v. Elevate*, 554 F. Supp. 3d 125, 132 (D.D.C. 2021).

[12] Office of the Comptroller of the Currency, Corporate Applications Search, *available at:* https://apps.occ.gov/CAS/home/details?FilingTypeID=11&FilingID=346751&FilingSubtypeID=1042 (last visited July 16, 2026).

[13] OppFi, Investor Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_presentations/2026/06/16/oppfi-investor-presentation-June-2026-FINAL.pdf (June 2026), at 8–9, 11.

[14] 12 U.S.C. § 85.

[15] Currently, OppFi offers its loans to consumers in 39 states. Thirty-seven of these states have state laws that cap interest rates on consumer loans. *See*, OppFi Rates and Terms, *supra* note 1; National Consumer Law Center, *State Annual Percentage (APR) Caps for $500, $2,000, and $10,000 Installment Loans* (Dec. 2025), *available at:* https://www.nclc.org/wp-content/uploads/2022/08/202512_Fact-Sheet_APR-Caps-for-Installment-Loans.pdf.

consumers.[16] In the resulting settlement, OppFi agreed to stop providing loans to District consumers above the District's 24% usury cap, and OppFi paid almost $2 million in restitution and penalties and waived over $600,000 in past-due interest on District loans.[17]

OppFi itself recognizes the legal instability of exporting high-interest loans in direct contravention of state law. For example, OppFi noted in a filing to the United States Securities and Exchange Commission (SEC) that it risks "litigation, government enforcement or other challenge, for example, based on claims that bank lenders were not the 'true lender' and therefore, the usury, fee, and disclosure requirements of the borrower's state or residence rather than the home state of the bank partner should apply."[18] OppFi recognizes that its current method of partnering with state-charted banks to export usuriously high interest rates opens itself up to state enforcement actions that, if successful, may cause loans to be "unenforceable, subject to rescission, modification, or otherwise impaired" and may subject OppFi or other program participants to "fines, judgments, and penalties," all of which "would adversely affect [OppFi's] business."[19] For OppFi, gaining a national bank charter squashes these legal risks and prevents state usury-based enforcement actions that threaten OppFi's high-interest business model.

States are also increasingly pursuing their ability to prevent out-of-state, state-chartered banks from preempting their state interest rates limits, which poses further threat to OppFi's rent-a-bank model. The Depository Institutions Deregulation and Monetary Control Act of 1980 (DIDMCA) allows state-chartered banks to export the interest rates permitted in their home states when lending in other states.[20] But DIDMCA also importantly allows states to opt out of this preemptive scheme. DIDMCA only applies to state-chartered banks, so the opt-out option would not be applicable if OppFi became a nationally chartered bank. OppFi noted the risk of DIDMCA opt-outs to its bottom line in an SEC filing, saying, "certain states have or are considering opting out of [DIDMCA]" and "if any loan made through OppFi's platform by a bank partner were deemed for any reason to be subject to the usury laws of a state or U.S. territory where a borrower is located rather than the bank partner's home state" there could be an "adverse[] impact [on] OppFi's growth."[21] Once again, OppFi is aware what options states have to protect consumers against its high-interest loans and now wants to eliminate these options by becoming a national bank.

Other states have turned to their legislators to help fight high-interest lenders like OppFi. For example, some states enacted usury laws with strong anti-evasion provisions or amended

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[16] DC Complaint, *supra* note 3.

[17] Office of Attorney General for the District of Columbia, *AG Racine Announces Over $2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers*, Nov. 30, 2021, *available at:* https://oag.dc.gov/release/ag-racine-announces-over-2-million-settlement.

[18] OppFi Inc., *Form 10-K U.S. Securities and Exchange Commission*, pg. 43, Mar. 12, 2026, *available at:* https://www.sec.gov/Archives/edgar/data/1818502/000181850226000019/opfi-20251231.htm#i1f29095cb85b4608b42cd7f2db6fda1d_31 [hereinafter Form 10-K].

[19] *Id*.

[20] 12 U.S.C. § 1831d.

[21] Form 10-K, *supra* note 18, at 16.

preexisting laws to insert such language.[22] If the OCC were to grant a national bank charter to OppFi, these efforts would be all for naught. Federal preemption would override these legitimate state laws with no equal replacement because currently there are no federal laws capping interest rates for all consumers.

OppFi recognizes the legal instability of its core business model and now seeks a national bank charter to access the resulting federal preemption to erode state autonomy and eliminate state attorneys general's options to challenge OppFi's usurious lending. If the OCC grants OppFi a national bank charter, all the above methods to protect consumers from OppFi's usurious loans, and more, would be stripped from states.

b. *Granting OppFi a national bank charter would set a dangerous precedent and could allow other non-bank lenders to cloak themselves in federal preemption, thus limiting state attorneys general's enforcement capabilities.*

In the early 2000s the OCC cracked down on national banks enabling non-bank lenders to make loans that clearly violated state law and called it an "abuse of the national bank charter" to engage in such a scheme.[23] Then OCC Comptroller John D. Hawke, Jr. also highlighted that these arrangements allowed third parties, like payday lenders that notoriously offered exorbitantly high-interest loans, to rent out the privilege of federal preemption solely to evade state law.[24] The OCC recognized the trust, confidence, and privilege that came with a national bank charter.

The concerns expressed by the OCC ring just as true now as they did 25 years ago with one major difference. Now, instead of attempting to partner with a national bank to circumvent state laws, high-interest lenders like OppFi want to *become* national banks to circumvent state laws. Granting OppFi a national bank charter would allow the fox into the hen house. The OCC would be creating a dangerous precedent by conferring the privilege of a national bank charter on a company whose main product charges consumers nearly 200% APR, carries high rates of default and debt entrapment, and brazenly violates state interest rate caps. By way of comparison, OppFi loans carry interest rates that are nearly 17 times higher than loans offered by commercial banks. For example, in May 2026 the average APR on a two-year loan from a commercial bank sat at 11.86%.[25] Granting a national bank charter to OppFi could also further perpetuate this harmful lending by opening the door for non-bank lenders to seek OppFi's partnership to evade state laws in their own lending operations. Whether setting a new precedent for alarmingly high-interest lending at the national bank level, or enabling other usurious non-bank lenders, if the OCC

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[22] *See, e.g.,* 815 ILCS 123/15-5-15; 2021 L.D. 522 (S.P. 205); 2023 S.F. No. 2744.

[23] Office of the Comptroller of the Currency, Bulletin No. 2001-47, *Third-Party Relationships: Risk Management Principles* (Nov. 1, 2001), *available at:* https://www.occ.gov/static/rescinded-bulletins/bulletin-2001-47.pdf.

[24] Office of the Comptroller of the Currency, *Comptroller Calls Preemption a Major Advantage of National Bank Charter* (Feb. 12, 2002), *available at:* https://www.occ.gov/news-issuances/news-releases/2002/nr-occ-2002-10.html.

[25] Board of Governors of the Federal Reserve System (US), *Finance Rate on Personal Loans at Commercial Banks, 24 Month Loan* [TERMCBPER24NS], retrieved from FRED, Federal Reserve Bank of St. Louis; *available at:* https://fred.stlouisfed.org/series/TERMCBPER24NS.

grants this application, the potential for more consumer harm by way of less state enforcement is assured.

III. Granting OppFi a national bank charter would erode the integrity of the banking system, introduce risk, and contravene requirements to meet the needs of local communities.

a. *OppFi's practices are not compatible with the purpose of federal bank charters or the lending practices of national banks, thus degrading the integrity of national banks and raising safety and soundness concerns.*

In addition to the consumer harm and erosion of state protections discussed above, the OCC should also deny OppFi's application because it would undermine the integrity of the national bank charter and adversely impact the entire banking system. Granting national bank charters to high-cost lenders like OppFi would amplify systemic risk by embedding these organizations' risky business models into the fabric of the financial system. The OCC has historically maintained lending standards that have kept national banks out of triple-digit APR lending.[26] It would be a departure from those standards if the OCC were to permit the creation of a 100%+ APR national bank. Approving OppFi's application would flood the marketplace with OppFi's risky loans, which would in turn exacerbate risk to the financial system and the economy.

As the primary regulator over national banks, Congress created the OCC to "assur[e] the safety and soundness of, and compliance with laws and regulations, fair access to financial services, and fair treatment of customers by, the institutions and other persons subject to its jurisdiction."[27] The OCC oversees charters for all national banks, and supervises and regulates national banks to ensure their compliance with applicable laws and regulations, including the National Bank Act and other relevant federal banking statutes, regulations, and directives. Authorizing OppFi to acquire and merge with a national bank to continue its harmful lending practices would directly contravene the OCC's mission "to ensure that national banks and federal savings associations operate in a safe and sound manner."[28]

OppFi's loans are risky, unsafe, and unsound. For example, appropriate underwriting for ability to repay is a core requirement for safe and responsible lending. In fact, the 2020 Interagency Lending Principles for Offering Responsible Small-Dollar Loans provide that, "[r]esponsible small-dollar loan programs generally reflect . . . [a] high percentage of customers successfully repaying . . . in accordance with original loan terms, which is a key indicator of affordability . . .

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[26] *See. e.g.* OCC Bulletin 2013-40, "Guidance on Supervisory Concerns and Expectations Regarding Deposit Advance Products," *available at*: https://www.occ.gov/news-issuances/federal-register/2013/78fr70624.pdf; OCC Advisory Letter 2000-10, Payday Lending, *available at*: https://www.occ.gov/news-issuances/advisory-letters/advisory-letter-2000-10.pdf.

[27] 12 U.S.C. § 1.

[28] *About Us*, Office of the Comptroller of the Currency, *available at*: https://occ.gov/about/index-about.html.

and appropriate underwriting."[29] OppFi practices run afoul of these principles—it issues loans to borrowers without an adequate ability-to-repay analysis, and consequently, borrowers often default and refinance. The core of OppFi's business model is offering unaffordable loans, given that nearly a third of its customers default.[30] OppFi's 2025 charge-off rates were nearly 50%,[31] which further demonstrates that a high percentage of borrowers are unable to repay. Default and charge-off rates anywhere close to this level have never been tolerated in a national bank, and yet OppFi seeks approval to become a national bank for the express purpose of expanding by funding an exponentially greater number of high-cost loans in more places throughout the country.

The Interagency Lending Principles also define a responsible small-dollar loan as one with "Repayment terms, pricing, and safeguards that minimize adverse customer outcomes, including cycles of debt due to rollovers or reborrowing,"[32] but frequent rollovers and refinancing are built into OppFi's business model. According to the Complaint filed by the Attorney General of the District of Columbia, 75% of OppFi's income comes from refinancing.[33] In fact, despite the high rates of default and charge-off noted above, OppFi set new company records for income, revenue and receivables in 2025.[34] This underscores the reality that, instead of offering "[r]epayment outcomes and program structures that enhance a borrower's financial capabilities,"[35] OppFi profits off of triple-digit interest rates and repeat refinancing, trapping consumers into cycles of reborrowing.

The OCC must also consider "the risk to the stability of the United States banking or financial system"[36] posed by any proposed merger transaction. Allowing OppFi, and potentially others with similar lending models, to become a national bank would create serious risks to the financial stability of the US banking system. If allowed to go forward, OppFi would have access to federal deposit insurance, the Federal Reserve Discount Window, and exemptions from many state consumer protection laws, including but not limited to state interest rate limits. Through its proposed acquisition of BNC and its application to become a national bank, OppFi seeks the imprimatur of being a regulated bank while expanding its exploitative business model of providing unaffordable high-cost loans to consumers and small businesses. This model lends itself to an increased risk of litigation and credit losses which could pose safety and soundness concerns. An exponential increase in risky loans has implications beyond harm to the individual

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29 Interagency Lending Principles for Offering Responsible Small Dollar Loans, May 2020, *available a*t: https://www.occ.gov/news-issuances/news-releases/2020/nr-ia-2020-65a.pdf [hereinafter Interagency Lending Principles].

30 OppFi Q3 2024 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_events/2024/11/1/OppFi-Q3-2024-Earnings-Presentation_vF.pdf.

31 Form 10-K, *supra* note 18, at 73.

32 *Id.*

33 DC Complaint, *supra* note 3.

34 OppFi Q3 2025 Earnings Presentation, *available at:* https://s206.q4cdn.com/723382727/files/doc_financials/2025/q3/2025-Q3-Earnings-Presentation-Final-102825.pdf.

35 Interagency Lending Principles, *supra* note 29.

36 12 U.S.C. § 1828(c)(5).

consumer and threatens the health of the financial system. Allowing OppFi entry into the US banking system is too risky for communities, consumers, small businesses, and the banking system as a whole.

b. OppFi's lending practices do not meet the needs of low- and moderate-income neighborhoods in contravention of the Community Reinvestment Act.

When reviewing merger applications, the Bank Merger Act requires regulators to consider the convenience and needs of the communities to be served.[37] Likewise, Community Reinvestment Act (CRA) performance must be evaluated when regulators are considering applications for bank mergers and acquisitions.[38] The CRA requires federal financial supervisory agencies to assess an institution's record of helping to meet the credit needs of local communities in which they do business—including low- and moderate-income neighborhoods—consistent with safe and sound operation of the institution.[39] The implementing regulation for the CRA specifies, "Banks and savings associations are permitted and encouraged to develop and apply flexible underwriting standards for loans that benefit low- or moderate-income geographies or individuals, **only if consistent with safe and sound operations**."[40] If consumer lending constitutes a substantial majority of a bank's business, the regulator will evaluate the bank's consumer lending, in addition to its mortgages, small business and farm loans, and community development loans.[41]

As noted above, OppFi states that its entire mission is to serve the needs of communities that are struggling financially—whether due to low credit scores, low income, or other circumstances. However, data and basic logic both demonstrate that OppFi's products do not meet the needs of these communities—in fact, they inflict further harm on consumers who are already struggling financially.

OppFi provides loans to consumers whose credit applications are denied, who face difficulties paying bills, who lack adequate savings.[42] OppFi claims to meet their needs by helping rebuild their financial health.[43] One indicator of whether OppFi's loans meet this need is the percentage of borrowers who successfully repay their loans—or conversely, the percentage of borrowers who default. As noted above, nearly one-third of OppFi borrowers default on their loans, and

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[37] 12 U.S.C. § 1828(c)(5).

[38] 12 C.F.R. § 25.29. While BNC was evaluated for its CRA performance by the OCC in 2025 and achieved a "Satisfactory" rating, a CRA analysis for the new merger institution would bear little in common with this rating, as the nature of the institution's business under the merger would change entirely. Office of the Comptroller of the Currency, Community Reinvestment Act Performance Evaluation, BNC National Bank (Oct. 20, 2025), *available at:* https://www.occ.gov/static/cra/craeval/apr26/24224.pdf.

[39] 12 U.S.C. §§ 2901–2908; 12 C.F.R. § 25 (regulation implementing the CRA under the OCC); 12 C.F.R. § 228 (regulation implementing the CRA under the Federal Reserve System); 12 C.F.R. § 345 (regulation implementing the CRA under the FDIC); Federal Reserve, Community Reinvestment Act, *available at:* https://www.federalreserve.gov/consumerscommunities/cra_about.htm (last updated March 28, 2024).

[40] 12 C.F.R. § 25.21(f) (emphasis added); 12 C.F.R. § 228.21(d) (emphasis added).

[41] 12 C.F.R. § 25.22; 12 C.F.R. § 228.22.

[42] OppFi, *available at:* https://www.oppfi.com/ (last visited July 17, 2026).

[43] *Id.*

OppFi's latest charge-off rates were nearly 50%. Rather than recognizing this as an indicator that OppFi's loans are unaffordable and causing harm to its consumers, OppFi's CEO explained in a 2022 earnings call that OppFi "feel[s] really good about" charge-off rates in the low 40s or high 30s and added, "we'll always strive to kind of target that and hit that metric."[44] By comparison, the Federal Reserve Bank of St. Louis looked at all commercial banks and found that in the first quarter of 2026 the average charge-off rate was merely 2.64%—or nearly 20 times lower than OppFi's rate.[45]

OppFi's loans are not helping borrowers achieve financial health, they are instead extending borrowers' indebtedness. This is evidenced by the rate at which borrowers refinance, as previously described. When refinancing OppFi loans, as the company explains on its website, "your interest rate generally will not change" and "this will result in paying back more over time, including interest."[46] When consumers refinance an OppFi loan, they are generally applying to "borrow the difference between the existing loan amount and what they've already paid toward the principal."[47] As a result, the refinanced loan then covers the "current balance plus any additional amount you borrow."[48] When the Center for Responsible Lending reviewed nearly 5,000 consumer transactions dating up to May 2025 associated with over 200 OppFi borrowers, it found that approximately 34% refinanced their loans at least once, and those that did so tended to refinance at least two times, with 10% refinancing five or more times.[49] As noted earlier, the Attorney General for the District of Columbia found that that approximately half of OppFi borrowers refinance, with the average customer needing to refinance more than two times, as alleged in their 2021 Complaint.[50]

These facts and findings are all consistent with consumer experiences described in complaints submitted to state attorneys general, the Consumer Financial Protection Bureau, and the Better Business Bureau. These complaints repeatedly describe how consumers were left in a worse position after borrowing from OppFi. Consumers describe how OppFi's extremely high interest rates left them unable to pay off their debts, how their credit histories were damaged by inaccurate reporting to the credit bureaus, how OppFi refused to work with consumers to help them find solutions to pay down their principal in a sustainable way. Far from achieving financial health, consumers describe that these loans make it difficult for them to survive financially, that they necessitate further unsustainable borrowing just to keep up with payments.

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[44] Lost Opportunities, *supra* note 3, at 9 (citing a 2022 OppFi investor call transcript, OppFi Inc. (OPFI) Q3 2022 Earnings Call Transcript, (Nov. 2022), Seeking Alpha, *available at:* https://seekingalpha. com/article/4555683-oppfi-inc-opfi-q3-2022-earnings-call-transcript).

[45] Board of Governors of the Federal Reserve System (US), *Charge-Off Rate on Consumer Loans, All Commercial Banks* [CORCACBS], retrieved from FRED, Federal Reserve Bank of St. Louis; *available at*: https://fred.stlouisfed.org/series/CORCACBS.

[46] OppLoans, Refinance, *available at:* https://www.opploans.com/opploans-refinance/ (last visited July 16, 2026).

[47] *Id.*

[48] *Id.*

[49] Lost Opportunities, *supra* note 3, at 7.

[50] DC Complaint, *supra* note 3, at ¶ 38.

The simple act of lending to consumers who cannot obtain traditional loans does not equate to meeting local credit needs. If the loan provided is so unaffordable that it forces the consumer into default or drives the consumer into further debt through repeated refinancing or additional high-interest borrowing, what need has been met? OppFi claims to help struggling Americans achieve financial health, but the data and the company's own words demonstrate the opposite—it helps to ensure their entrenchment in debt.

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A national bank charter is a privilege, not a right, and this privilege should only be bestowed upon applicants that have a history of responsible, safe, and sound lending that complies with consumer protection laws—OppFi's practices are none of these things. Granting a charter to OppFi would supercharge unaffordable high-cost lending with the legitimacy of OCC approval. Approval of this application would deeply injure consumers, nullify vital state-level consumer protections, and degrade the national bank charter. OppFi has made it clear that this charter would become a vehicle for unsafe and unsound lending that is outlawed in the majority of states. Allowing such access to a nonbank with its history of high-cost, unaffordable lending, as well as a stated intention to continue offering high-cost products to consumers and small businesses, puts vulnerable consumers in harm's way while simultaneously reducing states' ability to protect them. It also inherently creates greater and more concentrated risks to the stability of the financial system. Neither consumers nor the banking system should be required to absorb or insure against those risks. OppFi's application should be denied because of the increased risks such a national bank would pose to consumers, the U.S. financial system, and the greater economy.

For the reasons above, we urge the OCC to protect consumers and preserve the stability and integrity of our national banking system by denying OppFi's acquisition of and merger with BNC and any other future attempts to gain a national bank charter.

Respectfully Submitted,

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