National Community Reinvestment Coalition

www.ncrc.org
740 15th Street, NW
Washington, DC 20005

July 29, 2026

Jennifer Ball, Deputy Regional Director
Kansas City Regional Office
Federal Deposit Insurance Corporation
1100 Walnut Street, Suite 2100
Kansas City, MO 64106
RE: **App No. 20260654**
Submitted via email to:
CRACommentCollector@FDIC.GOV
and at *cra.fdic.gov*

Christopher Koopsman
Senior Vice President
Federal Reserve Bank of Chicago
230 South LaSalle Street
Chicago, IL 60690
RE: **FR Doc 2026-14064**
Submitted via email to:
Comments.applications@chi.frb.org

John Hansen, Director of Licensing
Office of Comptroller of the Currency
1050 17th St., Suite 1500
Denver, CO 80265
RE: **2026-Combination-3446751**
Submitted via email to:
LicensingPublicComments@occ.treas.gov

RE: Opposition to OppFi , Inc.'s Applications to the Federal Reserve, the Office of the Comptroller of the Currency and the Federal Deposit Insurance Corporation to, through a series of transactions, become a bank holding company, acquire control of and merge with BNCCORP and its subsidiary BNC National Bank, form OppFi Bank, N.A., and combine with OppFi's subsidiary OpCo.

Dear Deputy Director Ball, Director Hansen, and Senior Vice President Koopsman:

The National Community Reinvestment Coalition (NCRC), Woodstock Institute (Woodstock) and Rise Economy submit this comment in response to the notices of the Federal Deposit Insurance Corporation (FDIC), Office of the Comptroller of the Currency (OCC), and the Federal Reserve Board of Governors (Federal Reserve), regarding OppFi, Inc.'s (OppFi) applications to, through a series of transactions, become a bank holding company and to acquire and merge with BNCCORP, Inc. (BNCCORP), BNC National Bank (BNC) and its trust subsidiary (collectively, BNC Bank). Because the transactions include a non-bank merger, OppFi plans to seek a waiver of Section 23A of the Federal Reserve Act and the Federal Reserve's Regulation W.[1]

[1] FDIC Application at 3.

NCRC, Woodstock, and Rise Economy strongly object to the merger. OppFi, Inc's business model consists of offering high-cost unaffordable loan products to consumers and small businesses. To facilitate its expansion of its lending operations, OppFi needs the proposed merger to allow it to abandon its "rent-a-bank" model and gain direct access to the banking system. A national bank charter will allow OppFi to operate nationally, including in states that enacted rate caps to protect their residents from high-cost lenders like OppFi and create unacceptable risks to low- and moderate-income communities, consumers, and small businesses, as well as the safety, soundness and trust in the financial system. In light of the public interest and systemic concerns outlined below, NCRC, Woodstock, and Rise Economy hereby request the denial of these applications or, at the very least, public or private meetings or hearings with the applicant and regulators considering OppFi's merger applications.[2]

NCRC is a network of more than 700 community-based organizations dedicated to creating a nation that not only promises but delivers opportunities for all Americans to build wealth and attain a high quality of life. We work with community leaders and policymakers to advance solutions and build the will to solve America's persistent racial and socio-economic wealth, income, and opportunity divides, and to make a Just Economy a national priority and a local reality.

Woodstock is a policy and research nonprofit that advocates for consumer financial protection and community economic development. Based in Chicago, Illinois, we work at the local, state, and national levels to advance economic justice and racial equity within financial systems. Woodstock is a proud founding member of NCRC.

Rise Economy is a California-based alliance representing over three-hundred member organizations that create systemic change and economic justice in BIPOC and low-income communities in our state. Our coalition includes organizations that partner with financial institutions to help them meet local community credit needs and that work to stabilize and build wealth in communities.

OppFi proposes that the merged bank will operate two separate lines of business: legacy community banking services within BNC's current footprint and digital consumer and business lending on a national basis,[3] expanding into the 10 states[4] where OppFi currently cannot operate because its lending rates far exceed the state rate caps.

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[2] NCRC. Woodstock, and Rise Economy make these requests pursuant to: 12 CFR §§ 262.25 (c) & (d) (Federal Reserve); 12 CFR § 303.10 (b) (FDIC); and 12 CFR § 5.11(a) (OCC). Our support for these requests is contained herein, including the identification of the public and systemic risks that are in play should this merger go forward. The requested meetings and/or hearings would help the regulatory agencies to determine whether allowing OppFi to expand its lending operations would meet the convenience and needs of communities. Should the agencies be inclined to approve this merger, despite our and other members of the public's strenuous objections, the requested meetings/hearings would afford an opportunity for exploration of conditions that could be imposed in any final order. We note that we have shared this letter with the applicant through its attorneys and thereby have given the required notice of our requests.

[3] OppFi FDIC Merger Application at 7.

[4] OppFi Federal Reserve Merger Application at 10.

If OppFi is allowed to merge with BNC Bank:

- OppFi would continue to offer its harmful products to consumers and small businesses and expand its offerings to states where it currently cannot lend because of state rate caps.
- OppFi's expansion will not result in a commensurate expansion in its community reinvestment obligations.
- The entity's board would consist primarily of members of OppFi's current board, who lack experience overseeing a bank and the BNC Bank managers who remain will be sidelined to the legacy BNC business line.
- It would create potential systemic risks based on Opp-Fi's loan portfolio with excessive charge offs, lack of sufficient reserves, and inexperience complying with Bank Secrecy Act and Anti-Money Laundering requirements.
- It would be contrary to regulators' longstanding position that predatory lending has no place in the national banking system.

For these reasons, as outlined below in greater detail, NCRC, Woodstock, and Rise Economy urge the Federal Reserve, OCC, and FDIC to deny OppFi's applications regarding its proposed merger with BNC Bank.

1. Merged Bank Would Continue to Offer OppFi's Harmful Products

OppFi characterizes its products as being designed to provide credit to "underserved" communities nationwide who "out of necessity, turn to higher cost and less transparent providers of credit."[5] OppFi's consumer loans have APRs in excess of 160% while its primary small business credit product is a merchant cash advance (MCA) with, according to consumer complaints,[6] opaque lending terms. So, it is unclear how OppFi's products, especially if the merged bank is approved, will serve "underserved communities" when OppFi's business model appears to be providing high-cost loans and credit products to consumers and small businesses in a potentially misleading fashion. Providing wide access through digital means to harmful products does not constitute meeting the needs of communities.

OppFi as a nonbank high-cost online lender has used its bank partnerships to structure loans with APRs in excess of 160%, injuring consumers. It currently lends in 40 states. It has extremely high default and charge-off rates – in its earnings presentation for the first quarter of 2026, it stated that its annualized charge-off rate as a percentage of receivables was 55% which it attributed to an increase in defaults.[7] As a result, thousands of consumers complain about OppFi loans -- the Consumer Financial Protection Bureau's complaint database has received over 1,600 complaints in the past 3 years that it has

[5] Federal Reserve Application at 6.
[6] See Complaints, Better Bus. Bureau, https://www.bbb.org/us/dania/profile/financial-services/bitty-advance-0633-90611293/complaints.
[7] OppFi, *2026-Q1 Earnings Presentation* 6, 9 (May 7, 2026), https://s206.q4cdn.com/723382727/files/doc_financials/2026/q1/2026-Q1-Earnings-Presentation_v4-DO-NOT-OPEN-IN-GOOGLE-SLIDES.pdf.

matched to OppFi's lending subsidiary Opportunity Financial. Many complaints relate to the high interest rates and lack of affordability of OppFi loans, loan churning and cycle of debt concerns, and payment processing concerns.[8]

Whether the small business credit products referenced in the applications are actually offered by OppFi or Bitty matters little in the long run because, like OppFi's high-cost consumer loans, they are fundamentally harmful products that do not meet community needs for fair and affordable credit. Bitty offers MCA products where a small business receives a lump sum payment in exchange for a percentage of its future sales.[9] Repayment terms can be opaque – fees are often expressed as "specified percentages," "factors," or some other unfamiliar and potentially misleading metric, not annualized percent rates – and thus higher than expected by small businesses. The provider can deduct repayment on a daily or weekly basis, potentially disrupting cash flow. Many MCA providers use independent brokers and offer high commissions, leading to aggressive sales tactics. And, because it is not considered a consumer loan, providers can engage in more aggressive collection tactics. [10] Recent reporting shows that it is an industry rife with predatory practices.[11]

No substantive information is included in the application about Bitty, but it apparently targets newer businesses and offers factor rates that range from 1.35-1.50.[12] A rate of 1.4 for a one year loan translates to an effective APR of over 70%, far higher than conventional business loans.[13] But, Bitty specializes in short term loans. So, that same rate of 1.4 for a 90-day term loan translates to an effective APR of closer to 250%.[14] Bitty requires daily or weekly repayment via ACH and charges a fee for each debit.[15] As with all MCAs, the costs and fees add up but they are often not clearly disclosed or easily discernible at origination.

If the merger is approved, OppFi will be able to carry out its lending activities through a national bank charter, meaning that it will be a national bank and not subject to state laws, including most rate cap and disclosure laws. As it intends to relocate its bank

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[8] Consumer Complaint Database, Consumer Fin. Prot. Bureau, www.consumerfinance.gov/data-research/consumer-complaints. Company matched complaints do not necessarily capture the full complement of related consumer complaints.
[9] Bob Haegele, *What is a Merchant Cash Advance?,* Wall Street J. (Oct. 21, 2025).
[10] *Id.*
[11] Stacey Vanek Smith, *The Shadowy World of Merchant Cash Advances*, NPR (Mar. 11, 2026); More Perfect Union, I Texted A Loan Shark Back. What I Uncovered Will Shock You, YouTube (May 19, 2026).
[12] Bar Alezrah, *Bitty Advance Review 2026: Rates, Limits, and Red Flags*, MCA Guide, https://themcaguide.com/articles/bitty-advance-review.
[13] Bitty Review: Factors Rates, Terms, and Settlement, Bus. Debt Adjusters, businessdebtadjusters,com/bitty-review.
[14] Bar Alezrah, *Bitty Advance Review 2026: Rates, Limits, and Red Flags*, MCA Guide, https://themcaguide.com/articles/bitty-advance-review.
[15] *Id.*

headquarters to Utah, a state with no interest rate cap,[16] it will be allowed to lend in the 10 states where it does not currently lend because of enacted state rate cap limitations. It will also have a larger digital footprint for Bitty MCAs. Expanding access to OppFi's harmful products either through a bank charter or through digital means, will not support the financial security of low- and moderate-income communities, consumers, or small businesses -- in fact, the costly payments and high default rates associated with such products are likely to put these populations in an even worse position and impair their ability to address their credit needs through safer, more affordable channels.

2. CRA Impact: Scope of anticipated small business lending unclear and mismatch between expansion of footprint and CRA obligations

When evaluating the proposed transactions, regulators must consider how the proposed merger will affect the convenience and needs of the community served.[17] This includes any impact on Community Reinvestment Act (CRA) performance.[18]

The OCC gave BNC Bank a satisfactory rating in its most recent exam based on the lending and community development tests associated with small bank performance standards. BNC originated or purchased the majority of the Banks' loans inside of its three assessment areas in two rating areas, North Dakota and Arizona.[19] The OCC concluded BNC Bank's primary loan products in assessment areas were business loans.[20]

OppFi, in contrast, as a nonbank, has no CRA track record. OppFi states that it will serve BNC's current assessment areas and create a new assessment area in Utah that includes its main office.[21]

OppFi anticipates that the merged bank will operate two separate lines of business – its legacy BNC Bank product lines and OppFi digital consumer and small business lending.[22] Accordingly, BNC Bank's satisfactory rating is only relevant to the legacy business line – the one that will not include its high-cost consumer lending products or the merchant cash advances offered by Bitty. It has no bearing on whether the merged bank will meet community needs overall and regardless, there is nothing in the application that indicates how long the merged bank plans to maintain the North Dakota and Arizona assessment areas.

[16] Nat'l Consumer L. Ctr., *Fact Sheet: Why 36% APR Caps are a Critical Tool Against Predatory Lending* (Aug. 2022), https://www.nclc.org/wp-content/uploads/2022/08/fact-sheet-apr-caps-for-installment-loans.pdf.
[17] Bank Merger Act, 12 U.S.C. § 1828(C)(5). See also 12 C.F.R. § 5.33(e)(ii)(C) (under the Bank Merger Act); 12 C.F.R. § 225.13(b)(3) (under the Bank Holding Company Act).
[18] 12 C.F.R. § 5.33(e)(iii); 12 C.F.R. § 225.13 (b)(3).
[19] Federal Reserve Application, Public Exhibit B, *BNC National Bank CRA Performance Evaluation* 1 (Oct. 20, 2025).
[20] *Id.* at 2.
[21] Federal Reserve Application at 12.
[22] *Id.* at 6.

OppFi acquired a 35% equity interest in Bitty Advance in 2024. The transaction included "options for OppFi to obtain majority and total ownership over time."[23] In its merger applications, OppFi attempts to leverage its relationship with Bitty to bolster its claims that it will meet the needs of the community through expanding availability of small business credit – but at the same time, OppFi distances itself from Bitty in the context of the merged bank's CRA obligations.[24] It argues that for the purposes of determining whether it originated more than 50% of its small business loans outside of the proposed Utah assessment area, Bitty loans to OppFi customers should not be considered because it only owns 35% of Bitty.[25] Per the Bank Holding Company Act, OppFi's 35% ownership interest meets the definition of a subsidiary under OppFi's control.[26] As such, OppFi should not be able to have it both ways and should be required to provide more in depth information about Bitty – such as whether OppFi intends to fully acquire it – and what role it will play in the merged bank's operations.

OppFi is proposing that it will have a nationwide footprint – lending in all 50 states. However, it is only proposing to slightly increase BNC Bank's CRA program by adding a single additional assessment area and offers no guarantees regarding the duration of its maintenance of the North Dakota and Arizona assessment areas and little additional detail regarding its CRA compliance plans. The mismatch between OppFi's proposed nationwide scope of business and its limited CRA obligations is not unique to this proposed merger; it is an issue that community development advocates have repeatedly flagged as more digital-only banks enter the industry.[27] But it bears repeating and speaks to how poorly this proposed merger would serve the convenience and needs of consumers across the country.

3. Managerial resources will not support regulatory compliance

All three regulators must also consider the managerial resources of the parties to the transaction, including their competence, experience, integrity, and record of compliance with laws and regulations. These factors are especially important here where the same individuals who serve on OppFi's board of directors will serve as the merged bank's board.

OppFi has a spotty history of complying with laws and regulations under its existing leadership. In 2021, for example, the District of Columbia Attorney General sued OppFi for charging borrowers up to 198%, in violation of the District's 24% rate cap on consumer loans, and for falsely claiming that its loans would help struggling consumers

[23] OppFi, *OppFi Acquires Equity Interest in Bitty, Enters Small Business Financing Market* (Aug. 1, 2024).
[24] *Compare* Federal Reserve Application at 14 with FDIC Application at 14.
[25] FDIC Application at 13-14.
[26] 12 U.S.C. § 1841(a)(2) ("Any company has control over a bank or over any company if the company directly or indirectly or acting through one or more other persons owns [or] controls . . . 25 per centum"); § 1841(d) (Subsidiary is defined as any company which a bank holding company owns 25% or more).
[27] Sarah M. Campbell, *Community Reinvestment Act Final Rule: Expanding the CRA to Cover Digital Banking*, 29 N.C. Banking Inst. 444, 446 (2025).

build credit.[28] The case resulted in a $2 million settlement wherein OppFi agreed to refund and waive payments for the more than 4,000 D.C. residents whose loans exceeded the rate cap, and to stop offering loans to D.C. consumers in excess of 24%, either directly or through a bank partnership.[29]

The proposed composition of the merged bank's board of directors also raises red flags. While all of OppFi's current board members are set to serve on OppFi Bank's board, only one of the current BNC National Bank board members is set to join the OppFi Bank board.[30] BNC's board members come with experience overseeing the management of a bank; OppFi's do not. Jettisoning so much expertise and institutional knowledge from the board is ill-considered and could present more serious risk.

Similarly troubling is OppFi's description of how BNC leadership will transition to the merged bank. The application states that current BNC bank leadership will "continue overseeing the Legacy BNC business line" – not OppFi Bank as a whole.[31] OppFi intends to use deposits, including those from the Legacy BNC business line, to fund its lending activity, including lending outside of the Legacy BNC business line. While retaining existing bank leadership is good news for BNC's current customer base, their proposed role should not inspire much confidence by the reviewing regulators in the merged bank, as a whole. According to the information in the application, assets and liabilities will not be siloed along business lines; siloing existing bank management expertise along such lines creates unnecessary risk.

4. **Because of potential systemic risks, OppFi should not be granted access to the US banking system.**

In reviewing the application, all three regulators must assess the impact that allowing OppFi to merge with BNC and to become a bank holding company will have on the US banking system. A bank charter is a privilege. Allowing the merger and enabling OppFi to become a bank holding company 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 to many state laws.

In this application, OppFi notes that it will be requesting an exemption from Regulation W and Section 23A because the last stage of the merger, merging nonbank subsidiary Opportunity Financial, LLC into OppFi Bank, N.A., would otherwise violate these

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[28] Press Release, Office of the Att'y General for Dist. of Columbia, *AG Racine Sues Online Lender for Making Predatory and Deceptive Loans to 4,000+ District Consumers*, (Apr. 6, 2021), oag.dc.gov/release/ag-racine-sues-online-lender-making-predatory-and.

[29] Press Release, Office of the Att'y General for Dist. of Columbia, *AG Racine Announces Over $2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers*, (Nov. 30, 2021), https://oag.dc.org/release/ag-racine-announces-over-2-million-settlement.

[30] Federal Reserve Application at 10.

[31] *Id.* at 11.

regulations' prohibitions against transactions of that size and the acquisition of low-quality assets. The excessive charge-off rates for OppFi's consumer loans demonstrate just how risky these assets are. As mentioned above, in Q1 of 2026, OppFi reported a net charge-off rate of 55%, up from 47% in Q1 of 2025. Charge-off rates that high are unheard of in the banking world, where single-digit rates are the norm. The acquisition of these "low quality" assets would absolutely present an unacceptable risk to the Deposit Insurance Fund. The purpose of Section 23A of the Federal Reserve Act is to limit how a federally insured bank can fund its affiliates through loans and asset purchases to prevent high-risk affiliate losses from draining a bank's insured deposits and threatening overall financial stability. It is hard to imagine a more clear-cut case for the protection provided by 23A than this proposed merger. Any request for an exemption from these protections is a red flag for potential abuse or broader safety and soundness issues.

This stage of the merger also raises the question of how OppFi plans to maintain sufficient reserves for loans with such high charge-off rates, both initially and over time. The application states that OppFi intends to use BNC's deposit base to fund its online consumer loan business and touts that the merged bank will continue using OppFi's underwriting model. But the application only makes vague reference to expanding the deposit base by adding "potential deposit products" to OppFi's digital offerings.[32] Given those high charge-off rates and limited deposit base, it is unclear how OppFi would be able to comply with current expected credit losses[33] (CECL) accounting standards and maintain appropriate reserves given the historic performance of the consumer loans made using OppFi's underwriting model. The banking system should not be required to absorb or insure against such risks.

Finally, OppFi states in their application that they are confident in their ability to comply with Bank Secrecy Act and Anti-Money Laundering (BSA/AML) requirements because they have experience supporting their bank partners' BSA/AML programs via their bank partnerships.[34] This is wholly insufficient. Supporting another entity's compliance program is very different from building and maintaining one internally. As previously mentioned, the application outlines a more limited role of BNC staff and board members in the merged bank's board composition and senior leadership; this should not inspire confidence that any existing bank regulatory and compliance expertise will be properly leveraged. Further, the merger will result in a doubling of bank assets and introduction of a significant digital business line; current BSA/AML infrastructure may be insufficient at that scale.

[32] *Id.* at 6.
[33] Current Expected Credit Losses (CECL), Fed. Deposit Ins. Corp., https://www.fdic.gov/accounting/current-expected-credit-losses-cecl.
[34] Federal Reserve Application at 15.

5. Allowing a high-cost lender to have a national bank charter contradicts Congressional direction

In 2020, the OCC issued a final rule that defined a national bank as the "true lender" in a transaction if it is named as the lender in the loan agreement or funds the loan. The rule was widely viewed as an attempt to provide legal certainty for bank–nonbank partnership models in which fintech or other nonbank lenders originate or market loans in conjunction with a federally chartered bank.[35]

At the time, many commenters submitted concerns that if finalized, the rule would facilitate "rent-a-charter relationships and thereby enable nonbank lenders to engage in predatory or otherwise abusive lending practices," including the evasion of state usury caps.[36] In 2021, both houses of Congress passed a joint resolution of disapproval of this rule and President Biden signed it, pursuant to the Congressional Review Act (CR Act). Accordingly, the rule is not in effect and under the Act, the OCC cannot issue a rule that is substantially the same.[37]

If the OCC were now to approve OppFi's merger with BNC in circumstances that would effectively recreate the same rent-a-charter outcomes that Congress rejected – using the banking system to facilitate predatory lending -- such approval would be difficult to reconcile with both the letter and the spirit of the CR Act resolution. Moreover, the approval would contradict the OCC's own longstanding position that predatory lending has no place in the federal banking system.[38] The OCC has repeatedly emphasized that national banks must conduct their activities in a safe, sound, and fair manner, and that abusive lending practices undermine public confidence in the banking system.[39]

6. Conclusion

Through its proposed merger with BNC and its application to be 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. Allowing OppFi entry into the US banking system is too risky for low- and moderate-income communities, consumers, small businesses, and the banking system as a whole. In addition, the merger would result in OppFi having a bigger geographical

[35] *National Banks and Federal Savings Associations as Lenders*, 85 Fed. Reg. 68,742, 68,742 (Oct. 30, 2020) (stating that the rule "provides legal certainty to banks conducting lending activities, including when banks partner with third parties").
[36] *Id.* at 68725.
[37] Cong. Rsch. Service, *Innovation in Lending,* CRS Report No. R43992 (2025), https://www.congress.gov/crs-product/R43992.
[38] Press Release, Office of the Comptroller of the Currency, *Acting Comptroller Announces Rescission of OCC's 2020 "True Lender" Rule* (June 30, 2021), https://www.occ.gov/news-issuances/news-releases/2021/nr-occ-2021-69.html.
[39] See Office of the Comptroller of the Currency, *Third-Party Risk Management: A Guide for Community Banks* 1 (May 2024), https://www.occ.gov/news-issuances/news-releases/2024/pub-third-party-risk-management-guide-for-community-banks.pdf

footprint but a comparatively very limited CRA assessment area. Thus, if approved there would be an extreme mismatch between OppFi's nationwide scope of business and its CRA obligations.

For these reasons, we urge the FDIC, OCC and Federal Reserve to deny OppFi's applications to acquire BNC through merger and to become a bank holding company.

Thank you for your consideration.

Sincerely,

Jesse Van Tol

President and Chief Executive Officer
NCRC

Horacio F. Méndez

President and Chief Executive Officer
Woodstock Institute

Paulina Gonzalez-Brito

Chief Executive Officer
Rise Economy

cc.
Michael D. Lewis
Sidley Austin LLP
1501 K Street, NW
Washington, DC 20005
Via email: MICHEAL.LEWIS@SIDLEY.COM