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JON DONENBERG, DEMOCRATIC STAFF DIRECTOR

United States Senate
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
WASHINGTON, DC 20510–6075

May 20, 2026

Jonathan V. Gould
Comptroller
Office of the Comptroller of the Currency
400 7th St. SW
Washington, D.C. 20219

Kevin Warsh
Chair
Board of Governors of the Federal Reserve System
20th St and Constitution Avenue N.W.
Washington D.C. 20551

Chair Warsh and Comptroller Gould:

We write to express our concern regarding Enova International's (Enova) application to acquire a national bank subsidiary and become a newly formed bank holding company. Enova's history of predatory lending and regulatory noncompliance render its application inconsistent with the standard for approval under the Bank Merger Act and Bank Holding Company Act.[1] The approval of its application would also veer dramatically from President Trump's promise to cap credit card interest rates at 10%.[2] We therefore urge the Federal Reserve Board (Board) and the Office of the Comptroller of the Currency (OCC) to deny Enova's application.

Enova is a nonbank lender that provides financial services to consumers and small businesses through its brands such as CashNetUSA and NetCredit.[3] CashNetUSA and NetCredit provide consumers with installment loans, lines of credit, and cash advances.[4] Though the companies brand themselves as one-stop-shops to rescue consumers during financial pinches,[5] a closer look into their business models reveals persistent, predatory financial strategies. These companies primarily target financially vulnerable consumers with high debt loads and poor credit histories

[1] 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).
[2] Truth Social, "Donald J. Trump", January 9, 2026, tweet, https://truthsocial.com/@realDonaldTrump/posts/115868132990949589.
[3] Enova, "Enova International," https://www.enova.com/.
[4] Enova, "Brands," https://www.enova.com/brands/.
[5] CashNetUSA, "When You Need Money Fast, Be the Hero," https://www.cashnetusa.com/.

who would struggle to handle additional debt.[6] Enova's high-cost loans, offered through these companies, lead vulnerable consumers into debt traps.

A closer look at Enova's branded companies reveal financial offerings with Annual Percentage Rates (APRs) upwards of 100% to 300%, and shockingly high charge-off (when a lender determines a debt is unlikely to be collected) rates.[7] For example, Enova makes loans up to 300% APR under state licenses through CashNetUSA and NetCredit in states that allow such high rates (though many states do not).[8] In states that ban APRs over 100%, Enova's NetCredit brand makes loans up to 99.99% APR.[9]

Enova is also known for evading state APR limitations through bank "partnerships"—a scheme known as "Rent-A-Bank."[10] Currently, 45 states and the District of Columbia have interest rate caps in place for at least some loans, but the lack of a federal rate cap provides high-cost lenders with a vacuum to evade state interest caps by partnering with a bank based in a state with no or high interest rate caps.[11] It works like this: a cash-strapped consumer applies for a quick loan; the lender processes the loan application and sends it to an out-of-state bank that is not subject to state interest limits; the out-of-state bank technically makes the loan, which allows the in-state lender to bypass state laws; then, the bank sells the bulk of that loans to the in-state lender in exchange for a cut of the profit; and the consumer repays the nonbank, in-state lender.[12]

Rent-a-bank schemes are of questionable legality, and many courts have applied anti-evasion laws to pierce through these schemes and determine that the nonbank lender is the "true lender" that must then comply with state interest rate laws.[13] Enova currently avoids states that have interest rate limits and actively enforce those laws against predatory interest rates.[14]

Concerningly, Enova appears to be attempting to expand its predatory lending operations to every state in the country without regard to state licensing and anti-evasion laws by seeking to become a national bank that enjoys the benefits of federal preemption. Specifically, in December

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[6] National Consumer Law Center, "Trump Administration Must Deny Enova's Bid to Make 100% APR Loans In Every State," April 16, 2026, https://www.nclc.org/resources/trump-administration-must-deny-enovas-bid-to-make-100-apr-loans-in-every-state/.
[7] National Consumer Law Center, "New Predatory 100% APR Bank Seeks Trump Administration's Approval," press release, February 23, 2026, https://www.nclc.org/new-predatory-100-apr-bank-seeks-trump-administrations-approval/.
[8] National Consumer Law Center, "Re: Application to Form Enova Interim Bank, NA and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662," February 20, 2026, p. 1, https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf.
[9] *Id. p. 3*
[10] National Consumer Law Center, "Re: Application to Form Enova Interim Bank, NA and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662," February 20, 2026, p. 24-26, https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf.
[11] National Consumer Law Center, "Fact Sheet: State Annual Percentage Rate (APR) Caps for $500, $2,000, and $10,000 Installment Loans," December 18, 2025, https://www.nclc.org/resources/fact-sheet-state-annual-percentage-rate-apr-caps-for-500-2000-and-10000-installment-loans/.
[12] Center for Responsible Lending, "The Rent-A-Bank Scheme," September 4, 2024, https://www.responsiblelending.org/research-publication/rent-bank-scheme.
[13] National Consumer Law Center, "Tenth Circuit Limits Rent-a-Bank Schemes," Lauren Saunders, December 11, 2025, https://library.nclc.org/article/tenth-circuit-limits-rent-bank-schemes.
[14] National Consumer Law Center, "Trump Administration Must Deny Enova's Bid to Make 100% APR Loans In Every State," April 16, 2026, https://www.nclc.org/resources/trump-administration-must-deny-enovas-bid-to-make-100-apr-loans-in-every-state/.

2025, Enova announced its agreement to acquire a bank subsidiary, Grasshopper Bank N.A. (Grasshopper) and to move that bank's headquarters from New York (which has a 25% criminal usury cap[15]) to Utah (which has no cap). [16] Grasshopper operates with a national bank charter, which provides it with several benefits including the ability to bank nationwide and export the interest rate laws of its home state to other states, bypassing individual state interest caps.[17] By acquiring Grasshopper and moving the bank's headquarters, Enova would succeed in unlocking the benefits of the bank's national bank charter[18] for the purposes of expanding Enova's predatory lending strategies to the national stage, side-stepping the interest rate caps of 45 states. Enova could also use its new national bank charter to then facilitate Rent-A-Bank lending by other predatory nonbank lenders.[19]

Because the acquisition will convert a nonbank, high-cost lender into a national bank holding company, the OCC and the Board are required to approve the acquisition.[20] The role of the Board and the OCC is therefore paramount to ensuring the safety and soundness of the U.S banking system and that the bank's customers enjoy fair access to financial services. Regulators at both institutions are tasked with determining the risk that allowing a company like Enova to enter the banking ecosystem poses to consumers and the financial system as a whole.[21] We therefore urge the Board and the OCC to consider the following facts when determining whether to approve Enova's proposed acquisition, which we believe demonstrate that the application must be denied.

First, Enova's business model does not adequately ensure that borrowers have the ability to repay their loans—a core requirement of safe and responsible lending under the Bank Merger Act and Bank Holding Company Act.[22] Enova has charge off rates over 50%.[23] As the National Consumer Law Center notes, charge-off rates anywhere close to that level have never been

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[15] New York State Department of Financial Services, "Banking Interpretations," March 14, 2011, https://www.dfs.ny.gov/legal/interpret/lo110314.htm.

[16] National Community Reinvestment Coalition, "NCRC, Woodstock Institute Urge OCC, Federal Reserve To Deny Bank Merger Between Enova and Grasshopper Bank," February 20, 2026, https://ncrc.org/ncrc-woodstock-institute-urge-occ-federal-reserve-to-deny-bank-merger-between-enova-and-grasshopper-bank/#_ftn21.

[17] Manatt, "To Bank or Not to Bank? OCC's Fintech Charter," David J. Gershon, Brian S. Korn, and Charles E. Washburn Jr., December 12, 2016, https://www.manatt.com/insights/newsletters/financial-services-law/to-bank-or-not-to-bank-occ-s-fintech-charter.

[18] Yahoo Finance, "Enova's Grasshopper Deal to Reshape Funding and Growth Trajectory," Riya Anand, March 23, 2026, https://finance.yahoo.com/markets/stocks/articles/enovas-grasshopper-deal-reshape-funding-142800490.html.

[19] National Consumer Law Center, Comment Letter to the Office of the Comptroller of the Currency, Re: Application to Form Enova Interim Bank, NA and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662," February 20, 2026, p. 2, https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf.

[20] Congressional Research Service, "Recent Regulatory Activity on Bank Merger Policy," April 15, 2025, https://www.congress.gov/crs_external_products/IN/HTML/IN12543.html.

[21] National Community Reinvestment Coalition, "NCRC, Woodstock Institute Urge OCC, Federal Reserve To Deny Bank Merger Between Enova and Grasshopper Bank," February 20, 2026, https://ncrc.org/ncrc-woodstock-institute-urge-occ-federal-reserve-to-deny-bank-merger-between-enova-and-grasshopper-bank/.

[22] National Consumer Law Center, "Re: Application to Form Enova Interim Bank, NA and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662," February 20, 2026, p. 3, https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf; 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).

[23] National Consumer Law Center, "Re: Application to Form Enova Interim Bank, NA and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662," February 20, 2026, p. 3, https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf;

tolerated in a national bank[24]—and for good reason. That type of predatory lending does not meet the convenience and needs of the community,[25] as it leaves many—likely most—borrowers far worse off. High-interest rate, high charge-off lending is also a safety and soundness risk to the bank. In addition to the loss rates, high-cost lending with high charge-off rates poses a serious risk of violating numerous consumer protection and other laws, including those governing unfair, deceptive, or abusive practices, debt collection, credit reporting, fair lending, military lending, privacy and data security, Know-Your-Customer, and community reinvestment requirements.[26]

Second, OCC and the Fed must examine Enova's track record of serious regulatory noncompliance, which alone should lead to the denial of its application under the Bank Merger Act and the Bank Holding Company Acts.[27] In 2019, the Consumer Financial Protection Bureau (CFPB) required Enova to pay a $3.2 million civil money penalty for debiting consumers' bank accounts without authorization.[28] In 2023, the CFPB identified Enova as a repeat offender after finding that the company violated the 2019 order by continuing to debit consumers' accounts without consent and ordered the company to pay a civil penalty of $15 million.[29] This track record of failing to follow the law demonstrates that Enova does not possess the compliance culture necessary to operate as a nationally chartered bank.[30]

Lastly, the approval of this application would also run afoul of President Trump's "affordability" agenda. Not only are housing, food and electricity costs surging, but Americans are carrying record levels of student loan, mortgage, and credit card debts.[31] Predatory lenders like Enova prey on people struggling to manage their debts and expenses and deepen the affordability crisis with their high-cost loans. Following public outcry over high prices, President Trump called for a one-year, 10% cap on credit card interest rates to prevent consumers from being "ripped off" by credit card companies in early 2026–a promise he has yet to actually accomplish.[32] Yet, by approving Enova's application, the OCC and the Board would be providing a 100% APR lender

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[24] *Id.*
[25] 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).
[26] Center for Responsible Lending, National Consumer Law Center, Student Borrower Protection Center, "Comments of National Consumer Law Center (on behalf of its low-income clients) Center for Responsible Lending Student Borrower Protection Center on Request for Information on Bank-Fintech Arrangements Involving Banking Products and Services Distributed to Consumers and Businesses to Department of the Treasury Office of the Comptroller of the Currency," October 30, 2024, p. 2, https://www.nclc.org/wp-content/uploads/2024/10/2024.10.30_Comments_Bank-fintech-lending-risks-comments-NCLC-CRL-SBPC.pdf.
[27] 2 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).
[28] National Community Reinvestment Coalition, "NCRC, Woodstock Institute Urge OCC, Federal Reserve To Deny Bank Merger Between Enova and Grasshopper Bank," February 20, 2026, https://ncrc.org/ncrc-woodstock-institute-urge-occ-federal-reserve-to-deny-bank-merger-between-enova-and-grasshopper-bank/.
[29] *Id.*
[30] National Consumer Law Center, "Re: Application to Form Enova Interim Bank, NA and to Acquire a Target; Charter/License #: 25412; OCC Control Number: 2026-Combination-344662," February 20, 2026, p. 9, https://www.nclc.org/wp-content/uploads/2026/02/Comments-Only.pdf.
[31] Federal Reserve Bank of New York, "Household Debt and Credit Report (Q4 2025)," https://www.newyorkfed.org/microeconomics/hhdc.
[32] Truth Social, "Donald J. Trump", January 9, 2026, tweet, https://truthsocial.com/@realDonaldTrump/posts/115868132990949589.

with the green light to run its gambit more widely—veering dramatically from President Trump's nominal support for capping consumer lending expenses.

Becoming a bank holding company with a bank charter requires compliance with clear statutory guidelines.[33] The OCC and the Board are two of the few bodies in government tasked with protecting the integrity of our banking system, and given the risks that Enova's proposed acquisition poses to consumers and our financial system as a whole, we urge the OCC and the Board to reject Enova's application to acquire Grasshopper Bank.

Sincerely,

Elizabeth Warren
Ranking Member
Committee on Banking,
Housing, and Urban Affairs

Chris Van Hollen
United States Senator

[33] National Community Reinvestment Coalition, "NCRC, Woodstock Institute Urge OCC, Federal Reserve To Deny Bank Merger Between Enova and Grasshopper Bank," February 20, 2026, https://ncrc.org/ncrc-woodstock-institute-urge-occ-federal-reserve-to-deny-bank-merger-between-enova-and-grasshopper-bank.