   - OCC, FRB, and FDIC ended most rent-a-bank schemes by 2005.
     - OCC Comptroller John D. Hawke, in 2002-2003:
       - Rent-a-bank arrangements are “an abuse of the national charter”;
       - "The preemption privileges of national banks derive from the Constitution and are not a commodity that can be transferred for a fee to nonbank lenders";
       - “[w]e are particularly concerned where an underlying purpose of the relationship is to afford the vendor an escape from state and local laws.”
     - FRB-supervised First Bank of Delaware ended partnerships with payday lenders in 2003 under pressure from FRB.
   - The 2010 Wall Street Reform Act reinforces impropriety of rent-a-bank. The Act limited preemption of state law to the bank itself, reversing a Supreme Court decision that had extended preemption to operating subsidiaries. Rent-a-bank schemes are even less connected to the bank than activities of bank subsidiaries.

2. More Recent Rent-a-Bank Arrangements (with FDIC-supervised banks) Include Grossly Irresponsible Loans.
   - Opploans (through FinWise Bank (UT))
     - 160% APR loans from $500-$4000.
     - Website strongly suggests it makes loans directly in states where the loans are permitted, and through FinWise Bank in states where they are not.
   - Elevate (Rise) (through FinWise Bank (UT))
     - 99% to 149% APR loans from $500 to $5,000.
     - Website discloses the same rates in some states that do not permit those rates.
   - Elevate (Elastic) (through Republic Bank & Trust (KY))
     - 96% APR on Elastic product (129% on entire book of business).
     - $380 advance repaid with monthly minimum payments costs $480 over five months.
     - Net charge-offs as a percentage of revenues: 51%.
     - No intention of driving down charge-offs → High rate, high default model → unaffordable loans.
   - CashCall, previously (through First Bank & Trust (S.D.))
     - 99-135% APR loans; targeting default rates of 35-40%; abusive debt collection practices.
     - Sued by WV and MD. Court held purpose was to hide behind bank’s charter.

3. Change in Course Would Invite Risk, Backlash, and Erosion of Confidence in Banking System.
   - Grave threat to strongest protection against predatory lending, state rate caps. Most states cap rates on installment loans; of those, median cap is 37% for $500 loan; 31% for $2,000; 25% for $10,000.
   - Broad outcry from civil rights, consumer, community, and faith groups. At least 150 national, state and local groups have opposed permitting rent-a-bank arrangements.
   - CSBS and NY DFS have sued the OCC over the preemptive fintech charter.