CSBS Supports New York in Lawsuit Against OCC Fintech Charter

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CSBS President and CEO John W. Ryan statement on the CSBS brief as amicus curiae in Lacewell v OCC, NYDFS’ suit challenging the legality of the OCC’s proposed fintech charter:

"The OCC does not have the statutory authority to define banking – that power resides with Congress – which is why state bank regulators, through CSBS, filed an amicus brief yesterday supporting the New York State Department of Financial Services (DFS).

"Last October, the Southern District of New York agreed with DFS, ruling that the OCC’s special purpose national bank charter for fintech companies was invalid. The court determined the OCC lacks authority to issue charters to fintech companies that do not receive deposits. The court found that the 'business of banking' unambiguously requires taking deposits. And the court explicitly said that its decision applies nationwide.

"State regulators will fight any effort to preempt state laws that protect consumers and ensure a safe and sound financial system."