

CSBS Files New Complaint Against OCC

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Approval of Figure Technologies Inc. Application Would Exceed OCC's Chartering Authority

Washington, D.C. – The Conference of State Bank Supervisors (CSBS) announced today it has filed a [complaint in the U.S. District Court for the District of Columbia](#) opposing the Office of the Comptroller of the Currency's (OCC) creation of a new national bank charter for nonbank companies and its acceptance and impending approval of a charter application from Figure Technologies Inc.

“Figure is essentially the first applicant for the OCC’s fintech charter. Its plan to become a national bank without obtaining deposit insurance is an illegitimate attempt to evade the controversy surrounding the fintech charter and the federal court decision that invalidated it,” said **John W. Ryan, CSBS president and CEO**. “If the OCC is allowed to create a special purpose nonbank charter, it would redefine our entire banking system, create new systemic risks and set a dangerous precedent that any federal agency can act beyond its legal limits. We believe that the court will share our concern and rule against the OCC’s unlawful attempts to expand its authority.”

The CSBS complaint filed today is a continuation of legal action initiated in 2017. The complaint asserts that by creating a national bank charter for nonbank companies, the OCC has gone far beyond the limited authority granted to it by Congress under the National Bank Act and other federal banking laws. Those laws authorize the OCC to only charter institutions that lawfully carry on the “business of banking,” which under federal banking law requires an institution to receive deposits and obtain FDIC deposit insurance.

The New York Department of Financial Services (NYDFS) has also challenged the OCC's fintech charter in federal court. The U.S. District Court for the Southern District of New York found in favor of the NYDFS and invalidated the proposed fintech charter. The court ruled that the OCC lacks the authority to grant a charter to an entity that does not take deposits and does not obtain deposit insurance. The decision has nationwide applicability.

Background:

- [CSBS court complaint](#)
- [Previous CSBS court complaint](#)
- [CSBS statement on previous court complaint](#)

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The Conference of State Bank Supervisors (CSBS) is the national organization of bank regulators from all 50 states, American Samoa, District of Columbia, Guam, Puerto Rico and U.S. Virgin Islands. State regulators supervise 79% of all U.S. banks and are the primary supervisor of non-depository financial services. CSBS, on behalf of state regulators, also operates the Nationwide Multistate Licensing System to license and register non-depository financial service providers in the mortgage, money services businesses, consumer finance and debt industries.

