

# Client Alert

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July 20, 2017

## Acting Comptroller Endorses Fintech Charters

By **Obrea O. Poindexter** and **Jeremy R. Mandell**

In July 19, 2017 remarks prepared for delivery to the Exchequer Club in Washington, D.C., Acting Comptroller of the Currency Keith Noreika expressed his support for the Office of the Comptroller of the Currency's ("OCC") efforts to establish national bank charters for financial technology ("fintech") companies. In endorsing the OCC's so-called fintech charter, he noted that the business of banking has evolved and stated that the OCC's approach to innovation brings fintech companies "out of the shadows and into a well-established supervisory and regulatory regime that will promote their safety and soundness."

Acting Comptroller Noreika addressed opposition to the fintech charter and alluded to litigation brought by the New York Department of Financial Services and the Conference of State Bank Supervisors. He asserted the OCC's authority to grant national bank charters to fintech companies that do not take deposits in appropriate circumstances and added that the agency "plans to defend this authority vigorously" in litigation.

He also refuted claims that a national charter for fintech companies would erode consumer protections. Acting Comptroller Noreika emphasized that, consistent with federal preemption standards codified by the Dodd-Frank Act, federal and certain state consumer protection laws "continue to apply to national banks and accordingly would apply to fintech companies that become national banks."

According to Acting Comptroller Noreika, the OCC has not yet received any applications for fintech charters, but the agency is continuing to meet with parties interested in pursuing a potential charter and is evaluating all of its chartering options. If confirmed, the views of his nominated successor, Joseph Otting, on this topic remain to be seen.

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