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*Delivered electronically to [comments@fdic.gov](mailto:comments@fdic.gov)*

The Honorable Jelena McWilliams  
Chairman  
Federal Deposit Insurance Corporation  
1776 F Street, NW  
Washington, DC 20006

*Re: Comments on FDIC Notice of Proposed Rulemaking, Federal Interest Rate Authority, 12 CFR Part 331, RIN-3064-AF21*

Dear Chairman McWilliams:

I write from the Commonwealth of Pennsylvania to strongly oppose the FDIC's proposal to broadly preempt state usury caps. Pennsylvania has strong interest rate caps that protect our residents from predatory payday and other high-cost loans. Rent-a-bank schemes would harm the people of Pennsylvania by subjecting them to predatory loans that would exploit many of our most financially vulnerable residents.

As of now, we are not aware of lenders evading our interest rate cap through rent-a-bank schemes. But the proposal threatens to open Pennsylvania's doors to these scams. This is particularly true as the FDIC's proposal offers no indication the agency will stop existing or prevent future rent-a-bank schemes. Moreover, the FDIC has recently used the rationale in its proposal to defend a rent-a-bank scheme involving a predatory small business loan by World Business Loans. The lender used a bank to originate that \$550,000 loan at 120% interest, which is illegal for a non-bank lender under the applicable state law.

The FDIC lacks the authority to broadly preempt state interest rate limits that apply to state-regulated non-bank lenders. Moreover, the FDIC has demonstrated no need for this policy. Indeed, the residents of Pennsylvania are better off without high-cost loans.

I urge you to withdraw this unjustified and extremely harmful proposal.

Very truly yours,



Michael D. Donovan