

Bloomberg Law and Debtwire quote Partner Catherine Brennan in NY DFS lawsuit article

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On May 2, *Bloomberg Law* reported that Judge Victor Marrero of the U.S. District Court for the Southern District of New York has allowed the lawsuit by the New York Department of Financial Services (DFS) against the Office of the Comptroller of the Currency (OCC) to move forward. The suit claims that the OCC's proposed national fintech charter "posed a threat" to the state's ability to establish its own laws and regulations. According to *Bloomberg*, the decision leaves the fate of the OCC's fintech charter uncertain, even though several fintech companies may be interested in applying for one.

"Companies have been waiting because this was always what was going to happen," noted Catherine Brennan.

The judge said that the DFS claims should move on to trial because New York is suing to protect an existing regulatory architecture that would be harmed by a federal government action, rejecting the OCC's preemption arguments. The OCC is still reviewing the decision.

Debtwire also spoke to Catherine for her thoughts on the ruling. "This year we should have a more fulsome argument from the DFS on why it believes that the federal banking agency is violating the federal law," Catherine said. In the meantime, fintechs are unlikely to file an application for the OCC's charter.

Catherine Brennan assists national and state banks, investment banks, consumer and commercial finance companies, mortgage bankers, installment lenders and other licensed lenders in the development and maintenance of nationwide consumer and commercial lending programs. She engages in credit due diligence on behalf of investors in fintech firms, bank partnership platforms, small business lenders, merchant cash advance companies, consumer finance companies, title loan companies and payday lenders.

Subscribers to *Bloomberg* may [click here](#) to read the article.

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