Payday lenders are starting to make **usurious loans up to 160% in states where those rates are illegal** by using banks, which are not subject to state rate caps, as a fig leaf. Banks have little to do with the loans, which they immediately sell. Bank regulators shut down these schemes in the early 2000s, but two state-chartered banks, FinWise Bank and Republic Bank and Trust, both regulated by the FDIC, are again helping payday lenders evade the law.

**Opploans + FinWise Bank = 160% APR**

Opploans ignores the interest rate cap laws of several states (State rate caps are shown for $500, 9-month loan)

**Rise (Elevate) + FinWise Bank = 99%-149% APR**

States where Rise ignores state interest rate caps (State rate caps shown are for $2,000, 2-year loan)
Federal and state legislators, regulators of both banks and payday lenders, and enforcement agencies must all do their part to stop payday lenders from evading state interest rate caps through rent-a-bank schemes.

Elastic uses a rent-a-bank scheme to offer lines of credit at rates above those allowed in many states. Elastic does not disclose an APR to consumers, but its SEC filing gives an example of a $2,500 advance with an effective APR of 109%. Actual APRs vary depending on the amount advanced and repayment schedule. The Elastic line of credit is offered in the following states that have far lower rate caps for lines of credit.

![Elastic (Elevate) + Republic Bank & Trust = 109%](image)

Speedy Cash (Curo), NetCredit (Enova), and Rise (Elevate) have announced plans to their investors to use rent-a-bank schemes to evade a new California law going into effect on January 1, 2020 that will ban their current loans above $2,500 that go up to 135%-191% APR.

Federal and state legislators, regulators of both banks and payday lenders, and enforcement agencies must all do their part to stop payday lenders from evading state interest rate caps through rent-a-bank schemes.