Interest rate limits are the simplest and most effective protection against predatory lending. Since the time of the American Revolution, states have limited interest rates to protect their residents. American voters strongly support interest rate caps. At least 45 states and the District of Columbia (DC) cap rates on at least some installment loans.

But high-cost lenders are increasingly using rent-a-bank schemes with a small number of rogue banks, which are not subject to state interest rate limits, to evade state rate caps on installment loans and lines of credit. Check out our Take Action page to see what you can do to help fight rent-a-bank lending!

Rent-a-bank schemes are of questionable legality. Lenders pick and choose where they lend, generally avoiding states that vigorously enforce their laws. At least seven online lenders are using five banks to make high-cost rent-a-bank loans to consumers, and others are targeting small businesses. See below to learn about the banks and lenders teaming up to issue triple-digit interest, debt-trap loans in states that do not allow high-cost loans — and which states they avoid. Find your state on the maps below or in this spreadsheet to see how many “rent-a-bank” lenders are attempting to avoid rate caps in your state.
Watch out for These High-Cost Lenders and Their Bank Partners
Elevate’s Rise uses FDIC-supervised FinWiseBank (Utah) to make installment loans of $500 to $5,000 with APRs of 99% to 149% in 19 states that do not allow those rates for some or all loans in that size range: Alaska, Arizona, Florida, Hawaii, Indiana, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, Nevada, Ohio, Oklahoma, Oregon, South Dakota, Washington, and Wyoming. Rise also lends directly in 14 states.
Elevate’s Elastic line of credit uses FDIC-supervised Republic Bank & Trust (Kentucky) to offer lines of credit of $500 to $4,500 with an effective APR of up to 109%. Elastic’s website no longer discloses where the line of credit is available but its FAQs previously noted that it was not available in 11 states. Elastic was, and probably still, is available in 14 states that do not permit effective APRs as high as 109% on some or all lines of credit: Alaska, Arizona, Arkansas, Florida, Kentucky, Louisiana, Maryland, Minnesota, Montana, Nebraska, Nevada, Oregon, South Dakota, and Texas.
Enova’s NetCredit uses FDIC-supervised Republic Bank & Trust (Kentucky) to make installment loans of $2,500 to $10,000 with APRs up to 99.99% in DC and 22 states that do not allow those rates on some or all loans in that size range: Alaska, Arizona, Arkansas, Florida, Hawaii, Indiana, Kansas, Kentucky, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, Ohio, Oklahoma, Oregon, Rhode Island, Texas, Tennessee, Washington, and Wyoming. Enova also lends directly in 15 states.

- **Sample NetCredit/Republic Bank & Trust loan**: NetCredit’s website for Montana (where voters capped rates at 36%) gives an example of a $4,500 loan at 65% APR repaid with 50 monthly payments of $262.53 — for a total of $13,126.50. This example shows how high-rate loans above what states allow can balloon even when the rate is not in the triple digits.
OppLoans uses FDIC-supervised FinWise Bank (Utah) to make installment loans of $400 to $4,000 at 160% APR in DC and 24 states that do not allow that rate for some or all loans in that size range: Alaska, Arizona, California, Florida, Hawaii, Indiana, Kansas, Kentucky, Louisiana, Maine, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Dakota, Tennessee, Virginia, Washington, and Wyoming. OppLoans also lends directly in 13 states.

- **Sample OppLoans/FinWise Bank loan**: A $3,000 loan at 160% APR for 12 Months. 12 Payments of $514.60 each for a total of $6,175.20
LoanMart (under the ChoiceCash brand) uses FDIC-supervised Community Capital Bank (Utah) to make auto-title loans in DC and 16 states,* most of which restrict or disallow high-cost auto title lending: California, Delaware,* Florida, Illinois, Indiana, Kansas, Kentucky, Michigan, Mississippi, Oklahoma,* Ohio, Oregon, South Dakota, Tennessee, Texas, and Washington. A sample loan is a 3-year, $3,000 loan at 170% APR with 36 monthly payments totaling $15,431.04. LoanMart also makes auto-title loans directly in five states. LoanMart does not operate in other states.*

*Changes on LoanMart’s website make it unclear whether LoanMart is still offering loans in Alabama, Delaware and Oklahoma. LoanMart’s license page shows a South Carolina license but it does not appear to be lending there.
Personify Financial uses First Electronic Bank, an FDIC-supervised industrial bank chartered in Utah (and owned by Fry’s Electronics), to enable installment loans of $500 to $10,000 with APRs as high as 179.99% in 22 states that do not allow that rate for some or all loans in that size range: Alaska, Arizona, California, Delaware, Florida, Hawaii, Indiana, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Mississippi, Montana, Nebraska, North Carolina, Ohio, Oklahoma, Rhode Island, Tennessee, Texas, and Washington. Personify also lends directly in eight other states.
EasyPay Finance offers high-cost credit through businesses across the country that sell auto repairs, furniture, home appliances, pets, wheels, and tires, among other items. EasyPay’s website does not disclose its rates, but examples from consumers in some states include $1,500 loans at 188.99% APR. EasyPay extends credit through FDIC-supervised Transportation Alliance Bank dba TAB Bank (Utah) in DC and 30 states that may not allow that rate: Alabama, Arkansas, Colorado, Connecticut, Florida, Georgia, Hawaii, Iowa, Indiana, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, Mississippi, Montana, North Carolina, Nebraska, New Jersey, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Vermont, West Virginia, and Wyoming. EasyPay’s website states that it administers financing directly in other states, other than in New York, most likely under state lending or retail installment sales laws.

Note: The map at the top of this page on How Many Rent-a-Bank Lenders Operate in Your State does not include states where EasyPay operates directly.

Small Business Rent-a-Bank Lending

World Business Lenders (WBL) uses a rent-a-bank scheme to make small business loans, often secured by the small business owner’s home. WBL’s website does not disclose where it lends directly and where it uses a rent-a-bank scheme. But lawsuits in Colorado, Connecticut, Florida, Georgia, Massachusetts, and New York have described rent-a-bank mortgages of $20,000 to $550,000, usually secured by the business owner’s personal residence with APRs of 75% to 139% or higher. World Business Lenders currently uses OCC-supervised Axos Bank (previously known
as Bank of Internet), a federal savings association and previously used FDIC-supervised Bank of Lake Mills (Wisconsin) to attempt to evade state rate caps. World Business Lenders has been profiled for its predatory practices.

**BFS Capital** also uses Axos Bank to fund its small business loans. A lawsuit in Texas claims that BFS charged 274% despite a legal rate in Texas of 18%.

**Related Resources**

These resources and much more can be found on our Rent-a-Bank Loans webpage, and check out our Take Action page for what you can do to help stop rent-a-bank lending!

- **Issue Brief:** FDIC/OCC Proposal Would Encourage Rent-a-Bank Predatory Lending
- **Fact Sheet:** Stop Payday Lenders Rent-a-Bank Schemes
- **Report:** Why 36%? The History, Use, and Purpose of the 36% Interest Rate Cap