

# High-Cost Rent-a-Bank Loan Watch List



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.

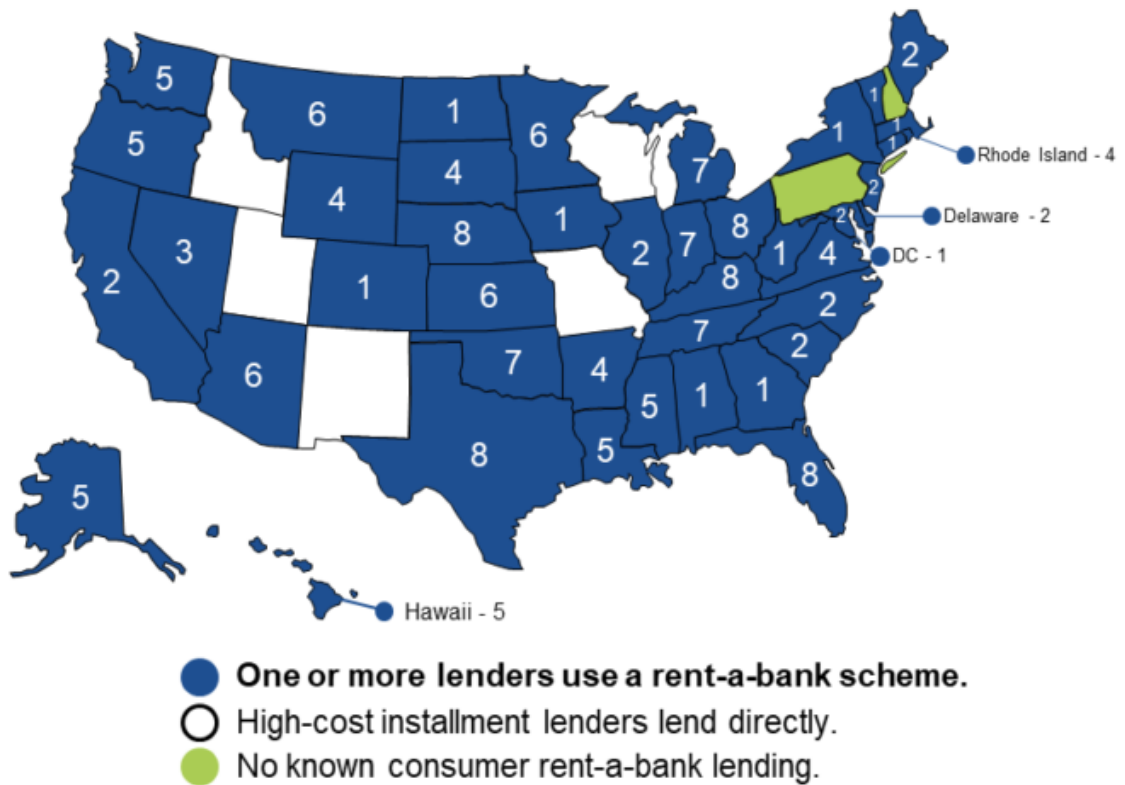
But high-cost lenders are increasingly using **rent-a-bank schemes** with a small number of rogue banks, which are not subject to state interest rate limits, to evade state rate caps on installment loans and lines of credit. **Check out our Take Action page to see what you can do to help fight rent-a-bank 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 10 high-cost consumer lenders (**American First Finance, Axxcess Financial, Check Into Cash, CURO, EasyPay, Elevate, Enova, LoanMart, OppFl, PersonifyFinancial**) are using five FDIC-supervised banks (Community Capital Bank, FinWise Bank, First Electronic Bank, Republic Bank & Trust (Kentucky), TAB Bank) and one OCC-supervised bank (Stride Bank) to make high-cost rent-a-bank loans to consumers. Others, including World Business Lenders and OCC-supervised Axos Bank, 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.

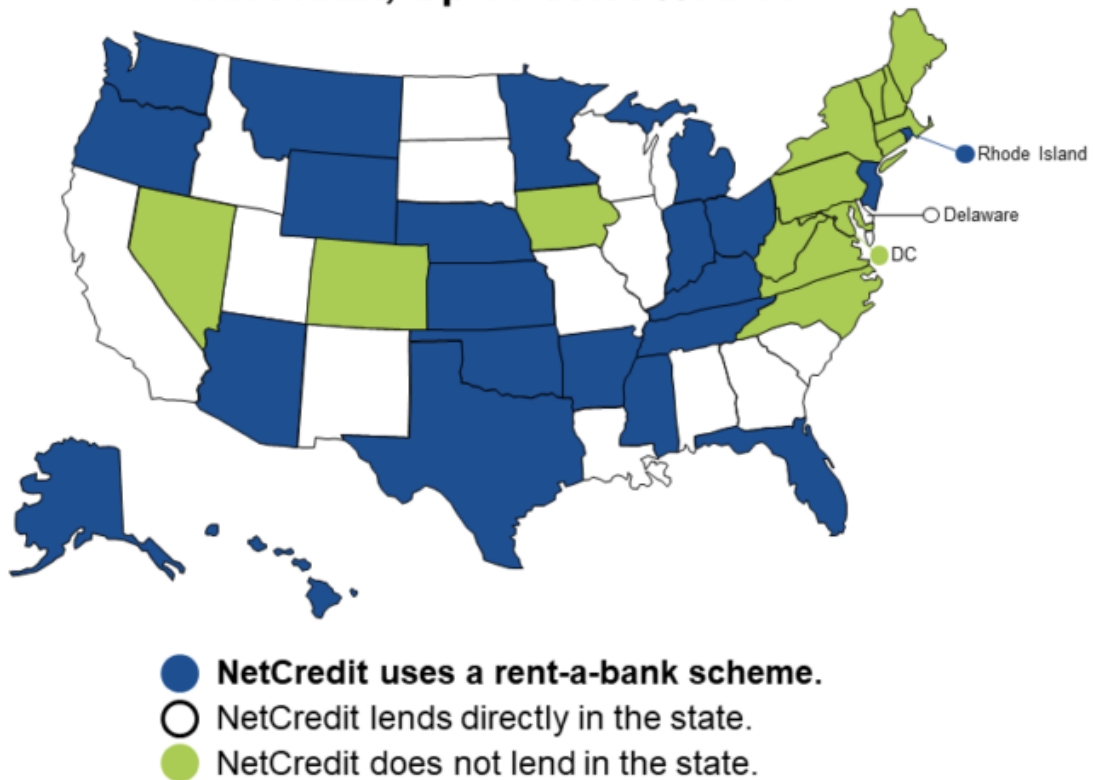
**FIND YOUR STATE** on the maps below or in **this spreadsheet** to see how many “rent-a-bank” lenders are attempting to avoid rate caps in your state.

## How Many High-Cost Consumer Rent-a-Bank Lenders Operate in Your State?



## Watch out for These High-Cost Lenders and Their Bank Partners

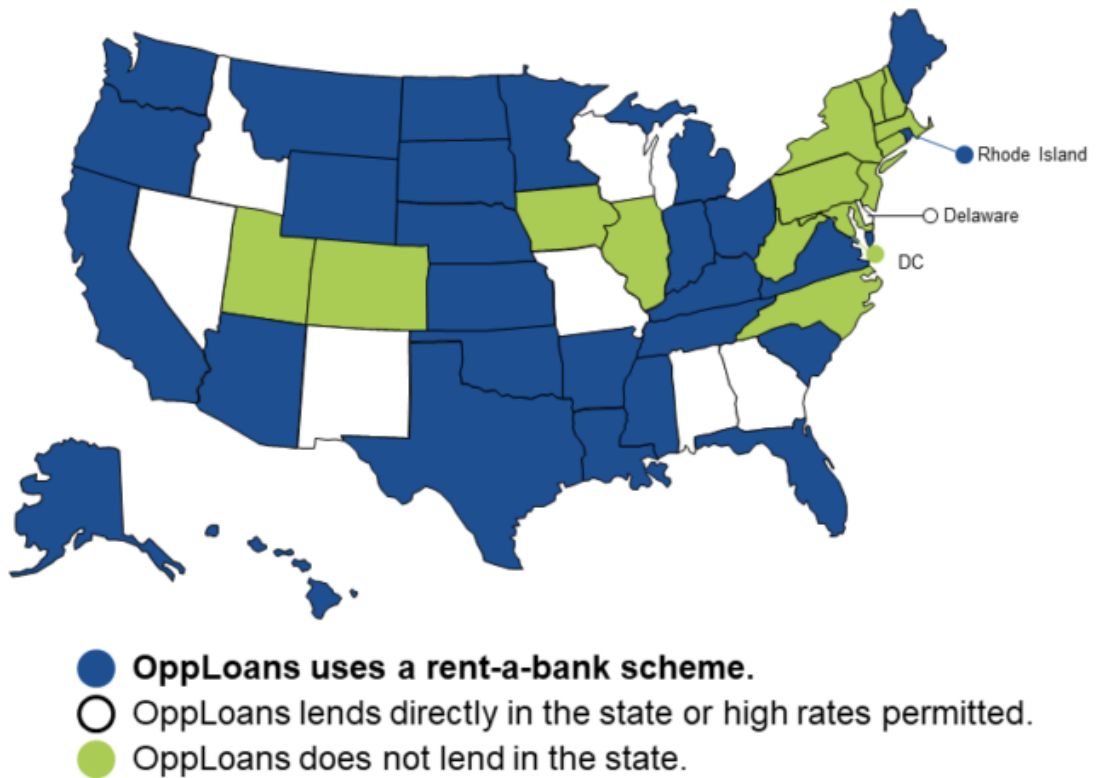
## Rent-a-Bank Lending by Enova (CashNetUSA): NetCredit, Up To 99.99% APR



**Enova, which operates the payday and installment lender CashNetUSA, uses the NetCredit brand through FDIC-supervised Republic Bank & Trust (Kentucky) to make installment loans of \$2,500 to \$10,000 with APRs up to 99.99% in several states that do not allow those rates on some or all loans in that size range.**

- **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.

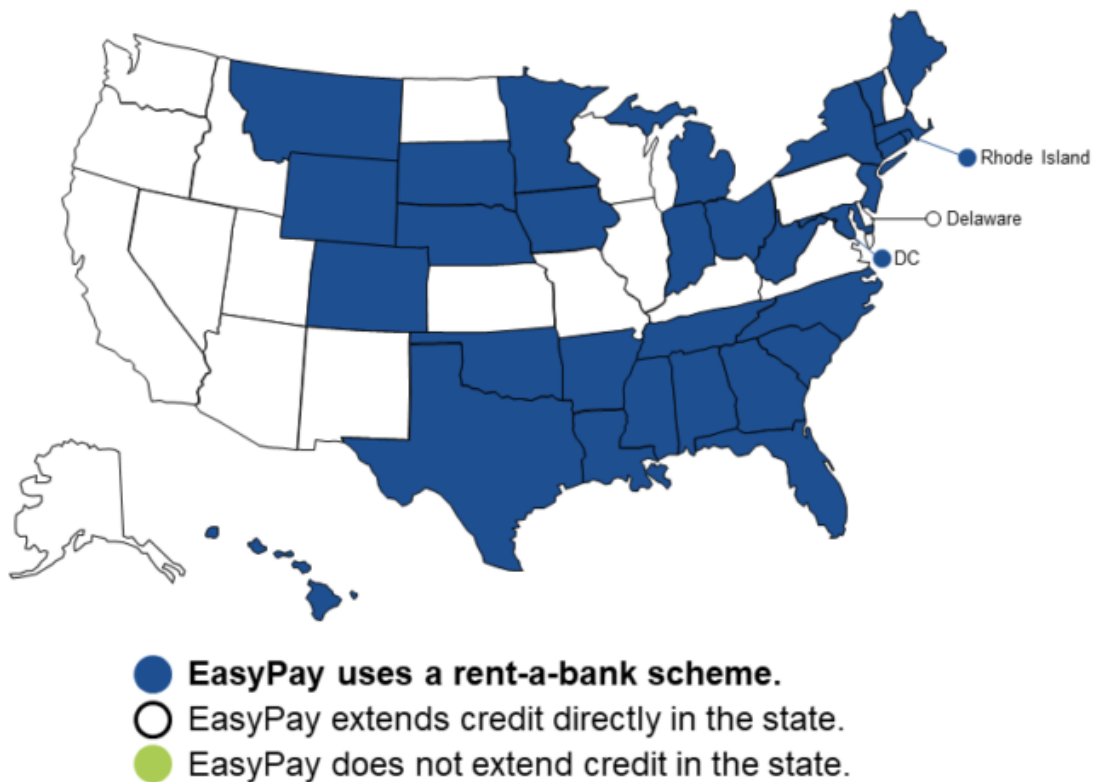
## Rent-a-Bank Lending by OppLoans: Up To 160% APR



**OppLoans** (aka OppFi) uses FDIC-supervised **FinWise Bank** (Utah) and **First Electronic Bank**, a Utah industrial bank, to make installment loans of \$400 to \$4,000 at **160% APR** in a number of states that do not allow that rate for some or all loans in that size range. OppLoans also lends directly in several 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**

## Rent-a-Bank Lending by EasyPay: Up To 188.99% APR



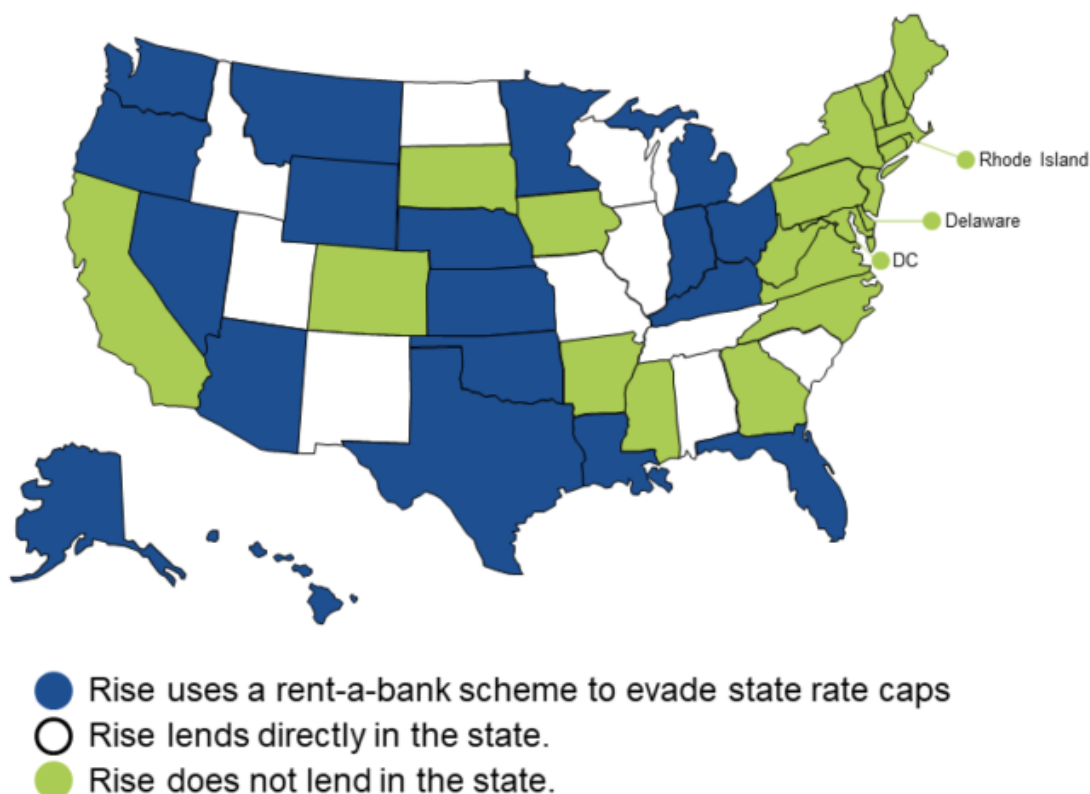
**Duvera Billing Services dba EasyPay Finance** offers high-cost credit through **businesses across the country** that sell auto repairs, furniture, home appliances, pets, wheels, and tires, among other items. EasyPay's website does not disclose its rates, but examples from consumers in some states include \$1,500 loans at **188.99% APR**. EasyPay extends credit through FDIC-supervised Transportation Alliance Bank dba **TAB Bank** (Utah) in several states, that may not allow that rate. 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.*





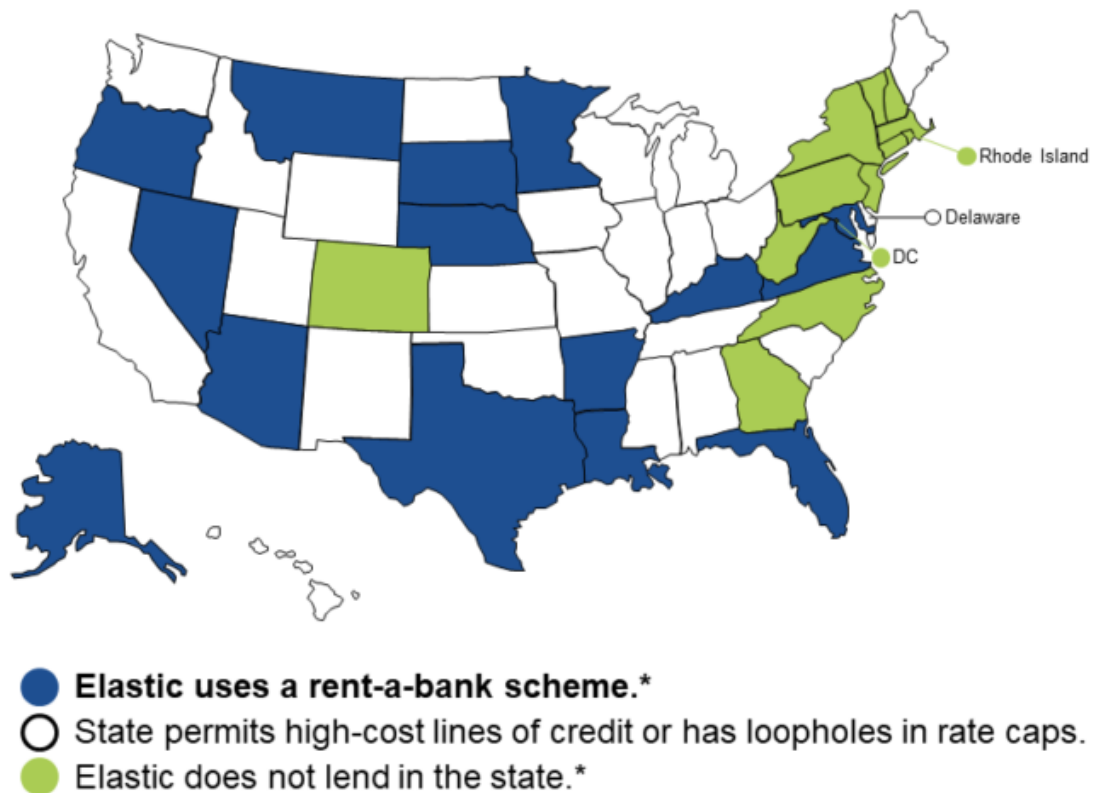
## Rent-a-Bank Lending by Elevate's Rise: Up To 149% APR



**Elevate's Rise** uses FDIC-supervised **FinWiseBank** (Utah) and **Capital Community Bank** (Utah) to make installment loans of \$500 to \$5,000 with **APRs of 99% to 149%** in **several states** that do not allow those rates for some or all loans in that size range. Rise also lends directly in a number of other states. Elevate has been sued by the DC Attorney General for engaging in a rent-a-bank scheme.



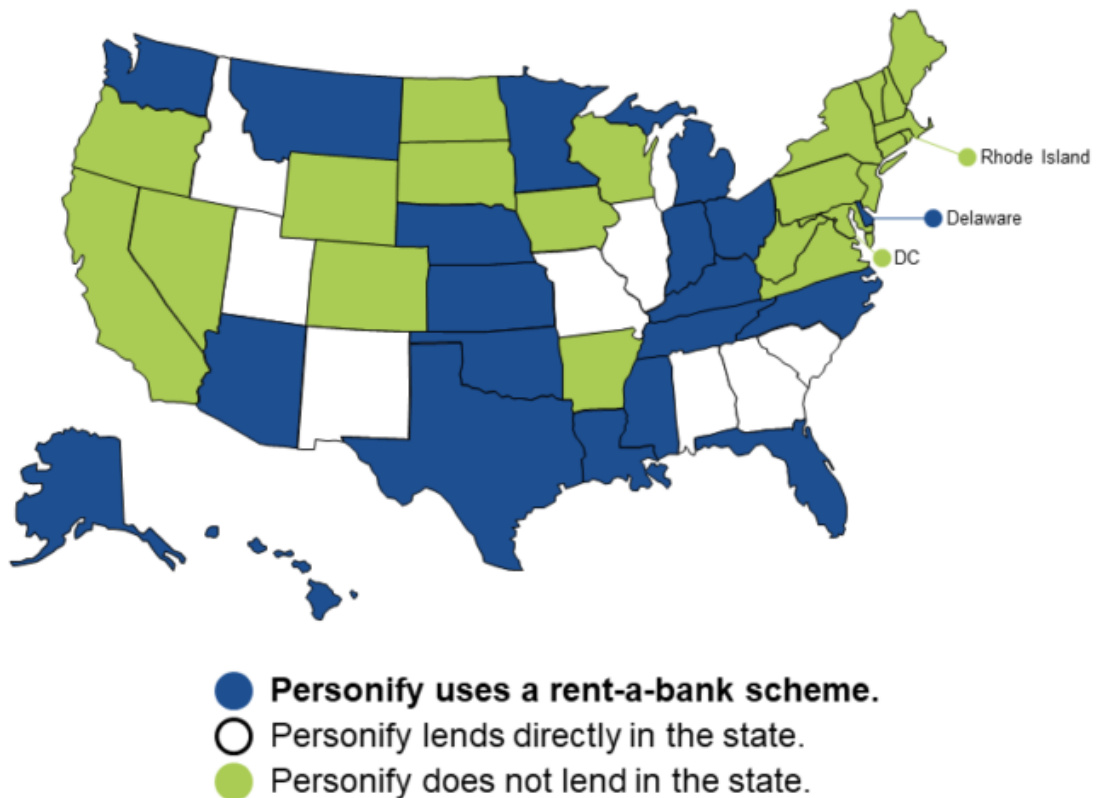
## Rent-a-Bank Lending by Elevate's Elastic: Up To 109% APR\*



**Elevate's Elastic** line of credit uses FDIC-supervised **Republic Bank & Trust** (Kentucky) to offer lines of credit of \$500 to \$4,500 in a number of states with an effective **APR of up to 109%**.

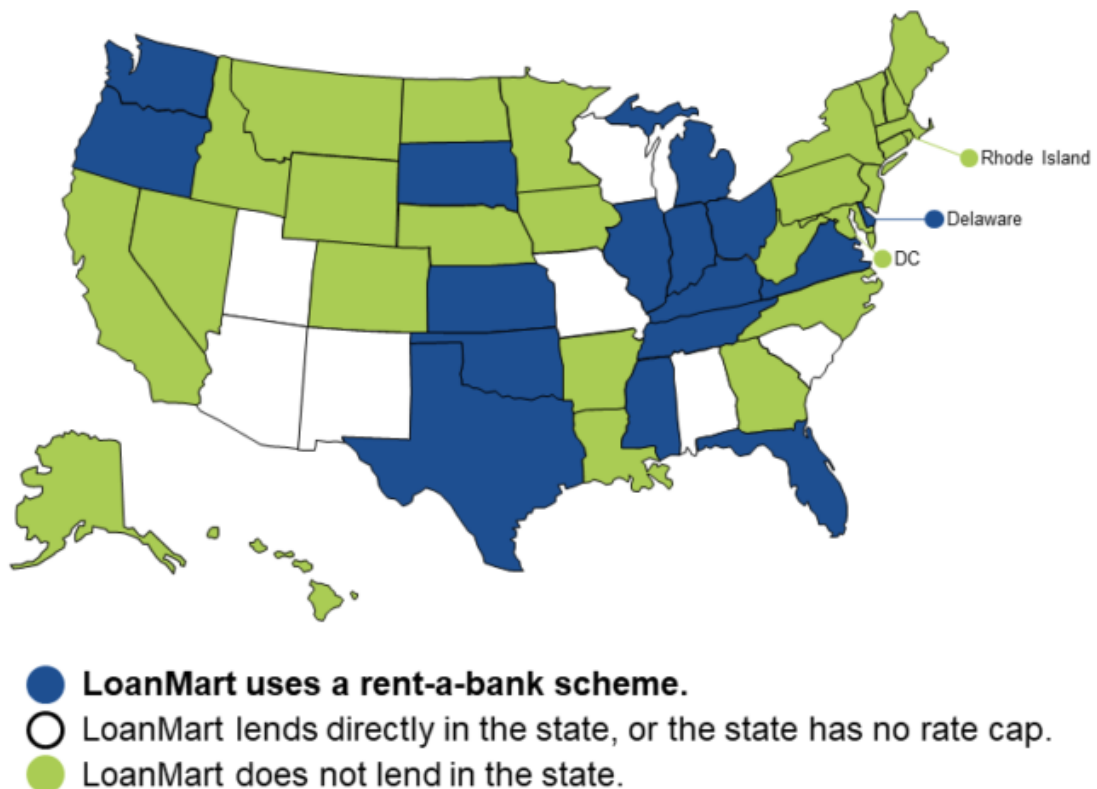
\*Elastic's website no longer discloses where the line of credit is available, but Elastic is no longer available in the District of Columbia as a result of litigation, and its FAQs previously noted that it was not available in 11 states: Colorado, Connecticut, Georgia, Massachusetts, New Hampshire, New Jersey, New York, North Carolina, Pennsylvania, Vermont, and West Virginia. Elastic was, and probably still, is available in many states that may not permit effective APRs as high as 109% on some or all lines of credit.

## Rent-a-Bank Lending by Applied Data Finance's Personify: Up To 179.99% APR



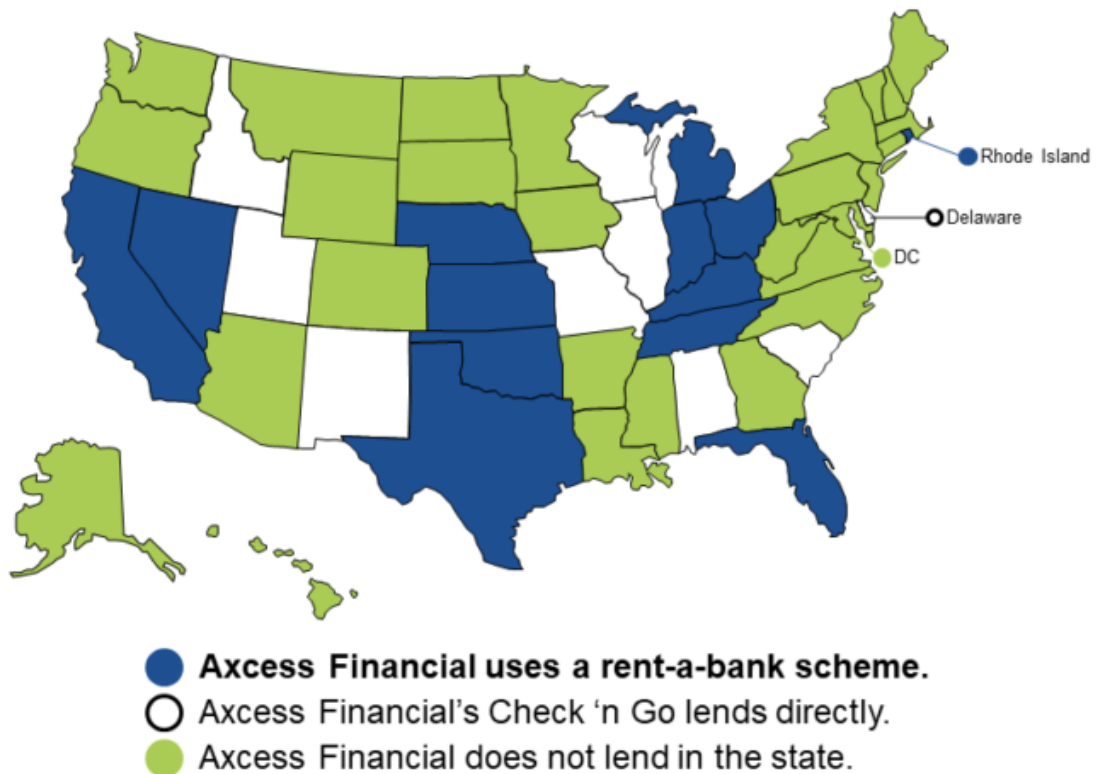
**Applied Data Finance**, doing business as **Personify Financial** uses **First Electronic Bank**, an FDIC-supervised industrial bank chartered in Utah (and owned by Fry's Electronics), to enable installment loans of \$500 to \$10,000 with **APRs as high as 179.99%** in several states that do not allow that rate for some or all loans in that size range. Personify also lends directly in a number of states.

## Rent-a-Bank Lending by LoanMart: Up To 170% APR



Wheels Financial Group, LLC dba **LoanMart** (under the ChoiceCash brand) uses FDIC-supervised **Community Capital Bank** (Utah) to make auto-title loans in several states, most of which restrict or disallow high-cost auto title lending. A sample loan formerly on LoanMart's website was 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 a number of states. LoanMart does not operate in other states.

## Rent-a-Bank Lending by Axxess Financial's Xact: Up To 199% APR



**Axxess Financial** (whose **brands** include the payday lenders **Check 'n Go** and **Allied Cash Advance**) offers the **Xact** installment loan through FDIC-supervised **Capital Community Bank**. The loans range from \$1,000 to \$5,000. Rates range from 145% APR to 199% APR. Xact loans are offered in several states that do not allow installment loans at those rates. Axxess Financial's Check 'n Go also **directly offers** high-cost installment loans in several other states.

## Other Consumer Rent-a-Bank Lenders

**CURO**, which offers payday loans and high-cost installment loans through various brands including **Speedy Cash** and **Rapid Cash**, has launched two rent-a-bank lenders, **Avío Credit** and **VergeCredit**. Both use OCC-regulated **Stride Bank**. Avío offers online installment loans **up to 130% APR** and lines of credit. Verge Credit makes installment loans **up to 179% APR**. Both are in a few states now and are expanding. Curo has **told investors** that the Stride Bank program "will help us expand geographically, online and in some states where we — where we don't operate right now."

The payday lender **Check Into Cash** has started offering the **CC Connect** Installment Loan through Capital Community Bank. Loans go up to \$2,400 and APRs can reach 224.99%.

**American First Finance** offers secured and unsecured **installment loans through FinWise Bank** for purchases at retailers including furniture, appliances, home improvements, pets, veterinarian services auto and mobile home repair, jewelry, body art. A **sample loan** is a \$5,000 loan with 104 weekly payments of \$154.92, including 145% interest and a \$250 origination fee,

which is about 161% APR. The website does not disclose in what states AFF lends, but lawsuits and complaints indicate loans in states including North Carolina and Rhode Island.

## 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**