



March 21, 2023

Submitted online at FDIC.gov

The Honorable Martin Gruenberg, Chairman
Federal Deposit Insurance Corporation
1776 F Street, NW Washington, DC 20006

Re: Community Reinvestment Act examination of First Electronic Bank

Dear Mr. Gruenberg:

Accountable.US, Americans for Financial Reform, Center for Responsible Lending, Consumer Action, Consumer Federation of America, National Consumer Law Center (on behalf of its low-income clients), National Community Reinvestment Coalition, Public Citizen, US PIRG and the Woodstock Institute submit these comments for the Community Reinvestment Act (CRA) examination of First Electronic Bank. First Electronic Bank helps at least two nonbank lenders make predatory loans at rates up to 180% annual percentage rate (APR) that they cannot legally make directly. The loans that First Electronic Bank facilitates are not only usurious; they also pose a host of other consumer protection problems and potential legal violations.

This comment letter focuses on two of First Electronic Bank’s partners: Opportunity Financial (“OppFi”) and Applied Data Finance, dba Personify (“Personify”). Together with these nonbank lenders, First Electronic Bank makes loans with rampant problems, including unaffordable loans that consumers cannot afford to repay, high default rates, debt collection abuses, credit reporting errors, and loans made as a result of identity theft.

While not analyzed in this letter, we note that Genesis FS Card Services, Inc., which offers credit cards issued by First Electronic Bank, has also generated an *enormous* number of complaints to the CFPB: 1,824, mostly in the last year.¹ Many of these seem to be the result of identity theft or unsolicited cards.

¹ https://www.consumerfinance.gov/data-research/consumer-complaints/search/?chartType=line&company=Genesis%20FS%20Card%20Services%2C%20Inc.&dateInterval=Year&dateRange=All&date_received_max=2023-03-21&date_received_min=2011-12-01&lens=Product&searchField=all&subLens=issue&tab=Trends.

Section I of this comment letter summarizes the types of problems revealed in complaints against these lending partners. Sections II and III provide examples of complaints against OppFi and Personify, respectively. Appendices provide more complete lists of complaints.

These complaints raise serious concerns about extensive consumer harm and potential violations of federal and state consumer protection statutes. First Electronic Bank deserves a downgrade in its CRA rating as these lending programs do not meet the convenience or needs of the community.

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I. First Electronic Bank’s Lending Through OppFi and Personify Raises Severe Consumer Protection Issues and Fails to Meet the Convenience and Needs of the Communities It Serves

The Community Reinvestment Act (CRA) requires that banks meet the convenience and needs of the communities they serve. In assessing whether First Electronic Bank is appropriately serving its communities, the FDIC should focus not on whether First Electronic Bank does in some narrow sense provide access to credit but also the quality of credit extended. Predatory credit at high interest rates that borrowers cannot afford to repay, credit designed to evade state interest rate laws, credit that is extended using deceptive practices, and credit that leads to violations of debt collection, credit reporting, and other laws does not meet the convenience and needs of communities.

First Electronic Bank must be assessed based on the full scope of the credit it extends, including credit that it extends through partnerships with third parties. Under FDIC Guidance, banks are responsible for the risks arising from third-party relationships “to the same extent as if the activity were handled by the institution.”² Thus, First Electronic Bank’s CRA examination should consider the harm and potential legal violations inflicted through the third-party lending for which it is responsible.

Most states have interest rate limits that would prevent this predatory lending. But predatory lenders try to evade state laws by laundering their loans through banks, which are exempt from state rate caps. First Electronic Bank, chartered in Utah and supervised by the FDIC, is one of only a few rogue banks that are willing to front for predatory lenders.

First Electronic Bank helps at least two nonbank lenders make triple-digit APR loans in states where those loans are illegal:

- OppFi, which offers online installment loans at 160% APR.
- Personify, which offers online installment loans at APRs up to 180% APR

OppFi also uses other banks in some states.

These “rent-a-bank” schemes are of questionable legality, to say the least. First Electronic Bank’s partners have faced enforcement actions and have been forced to enter into substantial settlements for making illegal loans. As discussed below, **First Electronic Bank’s involvement in this evasion is in itself grounds for downgrading its CRA rating.**

In addition to the usury law evasions, the loans that First Electronic originates have numerous other consumer protection issues.

First Electronic Bank partners OppFi and Personify have generated a large number of complaints. These complaints are not surprising, because OppFi and Personify have high interest rate models that prey on struggling consumers with unaffordable loans. Public filings show that

² Federal Deposit Insurance Corporation, Guidance for Managing Third-Party Risk. FIL-44-2008 (June 6, 2008), <https://www.fdic.gov/news/financial-institution-letters/2008/fil08044a.html>.

OppFi has very high default rates, far higher than any other product in the banking system.³ OppFi's most recent net charge-off rate was a whopping 58%.⁴ Personify's charge-off rates are unavailable, but are likely similarly high.

In addition, OppFi has faced government enforcement action, and has also provoked private litigation. In 2021, to settle charges of deceptive and unlawful lending, OppFi agreed to pay \$2 million to the District of Columbia and to stop usurious lending in the District.⁵ OppFi is currently facing an enforcement action by the California Department of Financial Protection and Innovation, and a court has found that DFPI sufficiently alleged that OppFi, not the bank, is the true lender.⁶ Several private lawsuits have also recently been filed against OppFi.⁷

Litigation has also been filed related to Personify loans. One bankruptcy court found that the loan was void *ab initio*: Applied Data Finance “uses a ‘straw lender’ to nominally make loans through First Electronic Bank to claim federal preemption of state consumer protection laws but because Applied Data Finance retains the economic benefits of the loans processed through its internet platform, it is, in form and substance, the ‘true lender’ and thus is not entitled to claim federal preemption of North Carolina's consumer protection laws.”⁸

A review of the CFPB complaints database and Better Business Bureau websites shows that OppFi and Personify have generated hundreds of consumer complaints. Complaints cover issues including:

- Lack of transparency around high interest rates
- Unaffordable loans that borrowers are unable to repay
- Receiving loans that they never applied for and identity theft
- Improper debt collection tactics, including collecting debt not owed, failure to validate

³ See Alex Horowitz & Chase Hatchett, Pew Charitable Trusts, Rent-a-Bank Payday Lenders' New Filings Show 55% Average Loss Rates (Jan 9, 2023), <https://www.pewtrusts.org/en/research-and-analysis/articles/2023/01/09/rent-a-bank-payday-lenders-new-filings-show-55-average-loss-rates>.

⁴ Opportunity Financial LLC, SEC Form 10-Q (Nov. 9, 2022).

⁵ See Office of the Attorney General of the District of Columbia, Press Release, AG Racine Announces Over \$2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers (Nov. 30, 2021), <https://oag.dc.gov/release/ag-racine-announces-over-2-million-settlement>.

⁶ See Office of the Attorney General of the District of Columbia, Press Release, AG Racine Announces Nearly \$4 Million Settlement with Predatory Online Lender That Will Compensate Thousands of District Consumers (Feb. 8, 2021), <https://oag.dc.gov/release/ag-racine-announces-nearly-4-million-settlement#:~:text=Racine%20today%20announced%20that%20Elevate.pay%20%24450%2C000%20to%20the%20District>.

⁷ See, e.g., Michael v. Opportunity Financial, No. 1:22cv529 (W.D. Tex filed June 1, 2022); Johnson v. Opportunity Financial, No. 3:22-cv-190 (E.D. Va. Filed April 6, 2022); Carpenter v. Opportunity Financial, No. 2:21-cv-09875 (C.D. Cal. Filed Dec. 22, 2021); Sanh v. Opportunity Financial, No. 20-00002-02268-3 SEA (King Co., Wash. Sup. Ct filed Jan. 27, 2020), removed as No. C20-0310RSL (W.D. Wash. Feb. 26, 2020).

⁸ Order Sustaining the Objection to Proof of Claim (Claim #10) Filed by Scolopax, LLC, No. 19-05790-5-JNC (Bankr. E.D.N.C Oct. 16, 2020), available at <https://library.nclc.org/companion-material/bankruptcy-court-finds-usury-because-non-bank-was-true-lender-scolopax?s=SCOLOPAX>.

- debts, harassment and abuse
- Credit reporting problems, including incorrect information and failure to respond to disputes and errors

While only some of the loans made by these two companies were facilitated by First Electronic Bank (others were made directly or through other Utah banks), the complaints illustrate the serious problems with the lending programs the bank is enabling. These complaints raise serious concerns about extensive consumer harm and potential consumer protection law violations, and are detailed in Sections II and III as well as the appendices.

In general, the complaints involve:

Unfair, deceptive, abusive or unconscionable practices. The complaints show lack of transparency around high interest rates, and unfair, abusive and unconscionable lending practices due to unaffordable loans that consumers struggle to repay. State UDAP laws and laws against unconscionability apply to state-chartered banks, especially banks like First Electronic Bank that do not have branches outside their home state.⁹

Debt collection practices. Many of the CFPB complaints against OppFi and Personify are about debt collection. The Federal Debt Collection Practices Act (FDCPA) was enacted to protect consumers from unfair, abusive and deceptive practices by debt collectors. The FDCPA requires, among other things, that debt collectors refrain from harassing consumers, making inappropriate threats, or misrepresenting the alleged debts owed. Although the FDCPA does not apply to first-party creditors like banks or their servicers, such conduct also generally constitutes a violation of federal and state UDAP laws that do apply.¹⁰ Moreover, some state debt collection laws cover creditors and servicers,¹¹ and debt collection laws are not generally preempted by federal banking regulations.¹² Creditors can also be liable under state agency law for the actions of their

⁹ State UDAP laws and laws against unconscionability apply to state-chartered banks, especially banks like FinWise Bank that do not have branches outside their home state. While state-chartered banks are entitled to the same interest rate exportation rights as national banks, they do not have the same broad preemption rights with respect to other laws except when they are operating out of an out-of-state branch. The FDIC has explained that “the preemption provided by section [12 U.S.C. § 1831a(j)] only operates with respect to a branch in the host state of an out-of-state, state bank. By its terms section [12 U.S.C. § 1831a(j)(1)] ... would not apply if the out-of-state, state bank does not have a branch in the host state.” Federal Deposit Ins. Corp., Proposed Rules, Interstate Banking; Federal Interest Rate Authority, 70 Fed. Reg. 60,019, 60,025 (Oct. 14, 2005). Moreover, even as to national banks, state UDAP laws are not generally preempted. See Office of the Comptroller of the Currency, Exploring Special Purpose National Bank Charters for Fintech Companies at 5 (Dec. 2016), <https://www.occ.gov/publications-and-resources/publications/banker-education/files/exploring-special-purpose-nat-bank-charters-fintech-companies.html>. (“the OCC has taken the position that state laws aimed at unfair or deceptive treatment of customers apply to national banks.”).

¹⁰ See CFPB Bulletin 2013-07, Subject: Prohibition of Unfair, Deceptive, or Abusive Acts or Practices in the Collection of Consumer Debts (July 10, 2013), https://files.consumerfinance.gov/f/201307_cfpb_bulletin_unfair-deceptive-abusive-practices.pdf; NCLC, Unfair and Deceptive Acts and Practices § 6.10.

¹¹ See NCLC, Fair Debt Collection § 16.2.3.3.1 (10th ed. 2022), updated at library.nclc.org.

¹² See *id.* § 16.1.2.

collectors and servicers.¹³

Credit reporting. A large number of the CFPB complaints against OppFi and Personify are about credit reporting. When creditors report information to credit bureaus (directly or through servicers), the Fair Credit Reporting Act (FCRA) imposes requirements on furnishers to provide accurate information, to respond to consumer disputes, to conduct reasonable investigations, and to promptly correct inaccurate information.¹⁴

Know Your Customer and Electronic Signature Laws. Some of the CFPB complaints about OppFi and Personify are about loans that the consumers say they did not take out or that belong to someone else. Under the Bank Secrecy Act and related amendments and regulations, banks have an obligation to “know your customer” (KYC). KYC obligations apply to all accounts, including credit accounts.¹⁵ Failure to adequately confirm the identity of the borrowers of loans originated in the name of the bank would be a KYC violation. In addition, if the consumer did not complete a valid electronic signature for the loan agreement, there is no valid contract. In that case, debits against the consumer’s bank account arguably amount to conversion. Efforts to collect or report debts not owed by the consumer, or failure to adequately respond to disputes about the debts, could also be debt collection or credit reporting violations, as discussed above.

Electronic Fund Transfer Act and NACHA rules. Some of the complaints indicate potential violations of the Electronic Fund Transfer Act (EFTA). This Act sets out authorization requirements for preauthorized electronic fund transfers (PEFTs). Among other requirements, consumers cannot be required to repay credit by PEFTs,¹⁶ and PEFTs must be authorized by a writing signed or similarly authenticated by the consumer.¹⁷ Authorization is valid if it is “readily identifiable as such and the terms of the preauthorized transfer are clear and readily understandable.”¹⁸ The consumer must be given a copy of the authorization.

NACHA rules, which govern ACH payments, contain similar requirements, and also give the consumer the right to revoke authorization, and require that notice of the right to revoke and the manner in which to do so must be part of the authorization.¹⁹ A PEFT that is not properly

¹³ See generally *id.* § 11.4.4.5.

¹⁴ See generally NCLC Fair Credit Reporting, Ch. 6 (9th ed. 2019), updated at library.nclc.org.

¹⁵ Section 3261 of the USA PATRIOT Act and regulations thereunder require banks to have a Customer Identification Program (“CIP”) to verify the identity of each customer who opens an account. 31 C.F.R. § 1020.220(a)(2). “Account” includes “a credit account, or other extension of credit.” 31 C.F.R. § 1020.100(a)(1).

¹⁶ 15 U.S.C. § 1693k (1).

¹⁷ Reg. E, 12 C.F.R. § 1005.10(b).

¹⁸ Official Interpretation of 10(b)-6 to Reg. E.

¹⁹ Reg. E, 12 C.F.R. §1005.10(b).

authorized, or for which authorization has been revoked, is unauthorized.²⁰

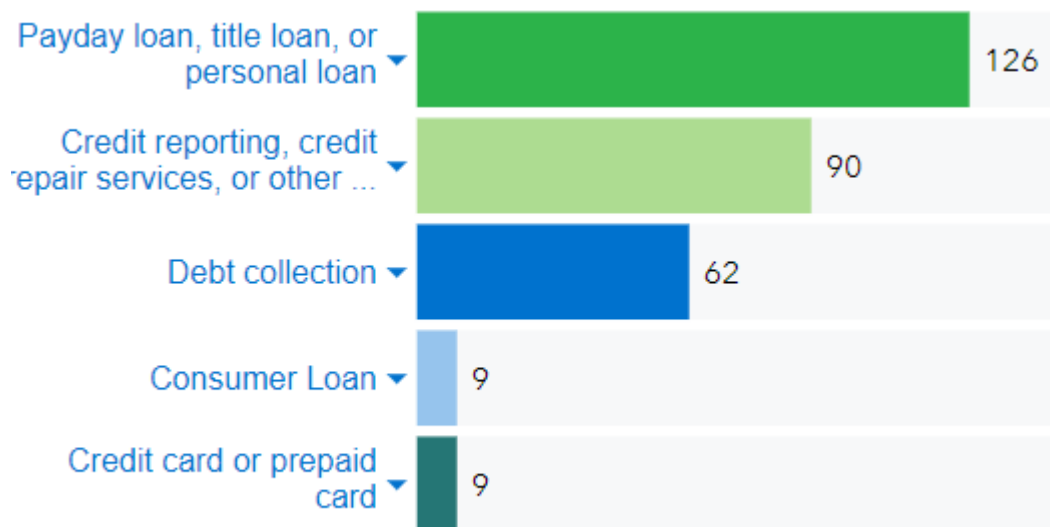
Military Lending Act. Some of the complaints against OppFi are from active duty servicemembers complaining about high rates that could violate the Military Lending Act (MLA). This law limits the interest rate on loans to active duty servicemembers and their dependents to 36% APR, including fees.

First Electronic Bank is responsible for the conduct of its partners. The extensive complaints below indicate a high likelihood that the bank is not meeting community needs. While not all of these complaints involve loans facilitated by the bank, they indicate severe problems in these lending programs overall.

II. Complaints against OppFi

The CFPB’s complaints database contains 301 complaints against OppFi through March 20, 2023. The consumers identified the “product” as follows (though a given complaint may raise several other issues):

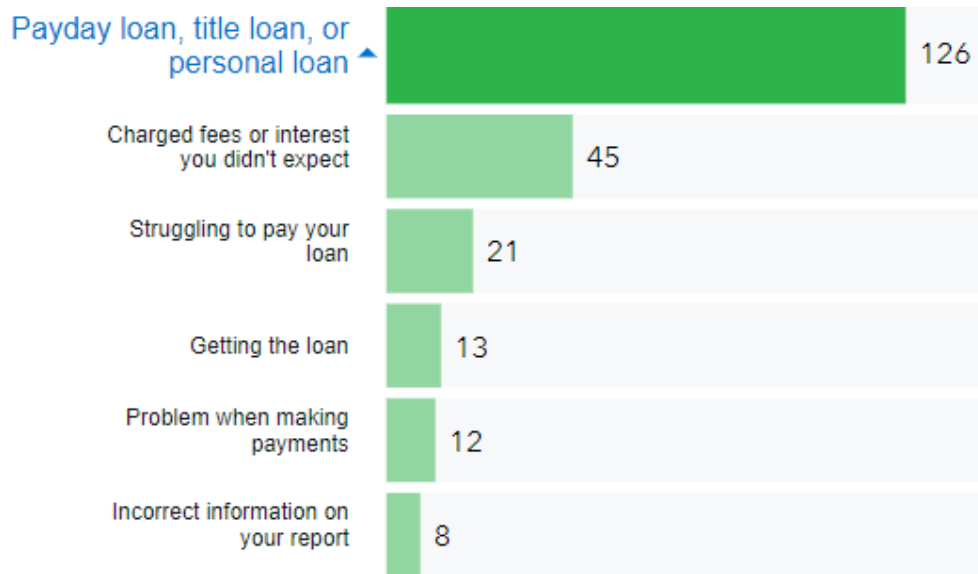
**CFPB Complaints Against OppFi Through Mar. 20, 2023
By “Product”**



The complaints in the loan category were primarily about being charged fees or interest the consumer did not expect, or struggling to pay the loan.

²⁰ See, e.g., *FTC v. Health Formulas, L.L.C.*, 2015 WL 2130504 (D. Nev. May 6, 2015) (finding FTC likely to prevail on claim that defendants violated EFTA by engaging in recurring EFTs without obtaining proper written authorization or providing a copy to consumer).

CFPB Complaints Against OppFi Through Mar. 20, 2023
By issue, for complaints categorized as “loan”



The complaints in the credit reporting category were primarily about incorrect information on the report, use of the report, or the company’s investigation.

CFPB Complaints Against OppFi Through Mar. 20, 2023
By issue, for complaints categorized as credit reporting



The complaints in the debt collection category were primarily about attempts to collect debt not owed or written notification about the debt.

CFPB Complaints Against OppFi Through Mar. 20, 2023
By issue, for complaints categorized as debt collection



Below is a small sampling of complaints filed with the CFPB against OppFi. A full listing of OppFi CFPB complaints that have consumer narratives is attached as Appendix A.²¹ Examples of complaints submitted to BBB are included in Appendix B.

Lack of transparency around high interest rates

- I obtained a small personal loan through Opp Loans online, and the process was questionable. They required the log in information for my bank, and after the loan was " approved " and I changed my password, they required additional information, which included access to my bank accounts again. After making about 10 payments or so, I had some financial difficulty around XX/XX/2020, as many others. I emailed and called, spoke to " XXXX " and she said she would waive interest and any fees, and push my next payment out to XX/XX/2020 with their " Borrower Assistance Program ". On XX/XX/2020, I used online bill pay through my bank to send a check to Opp Loans for {\$300.00}, more than 2x the amount of my previously scheduled payments. I did this early so they would receive it before XX/XX/XXXX. They never posted the payment to my account. It was received by them (and stamped) on XX/XX/2020, and cashed/cleared my account XX/XX/2020. I have emailed many times, and called, and they insist that I never paid. In addition, they charged interest an additional fees to my account, going against the arrangements made under their " Borrower Assistance

²¹ Of the 291 CFPB complaints against OppFi, 165 have consumer narratives.

Program ". Today is XX/XX/2020. When I called Opp Loans and spoke to one of their reps, he claimed that he did not receive my email which had 2 screenshots showing the {\$300.00} was taken from my account, and claimed that the payment was never received. When I told him I would go to the police department to file a report for fraud, he got angry, kept cutting me off while I spoke, and yelled that he could transfer me to the payments department. Someone at Opp Loans has my payment. They already ripped me off with a 160 % APR, so I am repaying almost double the loan amount. Even when I provided the reference # and check # from the bank, they ignored my emails. Two hours after mentioning that I would file a police report, Opp Loans reported false information to XXXX about my current balance in retaliation. Source: [CFPB Complaint #3634327](#)

- California passed the Fair Access to Credit Act on XX/XX/XXXX. The cap on interest rates in California is 36 %. I took out my loan XX/XX/XXXX. My interest rate is 159.22 %. Opps loans refuse to update the contract. I am grossly being overcharged. I am requesting that this get looked into. Source: [CFPB Complaint #3652625](#)

Harassment and aggressive contacting when struggling to pay a loan

- After losing my job and having a hard time making payments on the loan I received from Opploans (which was 160 % apr) they started calling me nearly every day and also calling my family members. It got even worse when they started calling me on Sundays at XXXX XXXX. Which is against the federal regulations of debt collection practices. I will be filing suit. Source: [CFPB Complaint #3533867](#)
- Calling work repeatedly sometimes 3-4 times an hour up to 15 times a day during work. Repeatedly calling cell number from spoofed phone numbers (if you try to call back the number is not a working number). Did not receive postal mail confirmation of collection even though I asked for it over the phone. Source: [CFPB Complaint #3547342](#)

Receiving loans that they never applied for and identity theft

- I have reached out to the company several times in the last year and a half providing information to them showing them the account was not mine. I've sent a police report, FTC report, my identification and a plethora of other documentation just to be told that information was not good enough. This has gone on for far too long. I have not received an original contract proving the debt belonged to me -- just a statement. Also, according to my credit report, each reporting agency has a different opening date. But if this information was accurate why are they all reporting the same thing? Reporting an error and even fixing an error is a violation with a fine of {\$1000.00}. Source: [CFPB Complaint #5126404](#)
- on XX/XX/2021 and email was received stating my payment will be taken out on XX/XX/2021. However, I had never heard of this company, I tried to contact the company via phone numbers on the website and email and the calls could not go through. I reached out via XXXX and XXXX. As I never heard of this company or applied for a loan through any of the sub-companies they have listed. I have asked for my information

to be removed or how to go about it. They will not answer and when they do they do not offer help. I did not give permission to a company i have no clue who they are to offer me loans or to even have my personal information. I want it removed. Source: [CFPB Complaint #4578538](#)

Ignoring Military Lending Act protections

- Company offered {\$2800.00} loan to my husband at 24 % interest without disclosing " customary fee " which brings total to 160 % interest. Company says this fee is not interest " for the purpose of Tennessee law ". I asked about protection under the military lending act and they said they never heard of it. They said " the state regulates the interest amount ". If that is the case, why is their outrageous fee " Not interest for the purpose of Tennessee law "? Paid {\$460.00} this month. Principal balance dropped by {\$78.00}. Next payment due is {\$630.00} Company said payment will be different every month. How does an installment loan have a different payment every month? How can it ever be paid off if it accrues over {\$400.00} in interest per month? He was medically seperated from XXXX XXXX due to a XXXX XXXX XXXX causing XXXX XXXX XXXX XXXX XXXX, XXXX, and XXXX XXXX. He is XXXX XXXX XXXX and his only income is VA XXXX. This company is preying on people like XXXX. Source: [CFPB Complaint #2895346](#)
- I contacted this firm opp loans several times XX/XX/2019 and XX/XX/2019, as a consumer regarding the high interests rates being charged on my loan. I informed them that military spouses and familys (my husband is XXXX XXXX) that we are protected against high interest rates. They informed me that they needed proof to review my interest rate. They then informed me that spouse loans are not covered under the military lending act and was notified by their legal department. My current interest rate is 159 % on short term installment loan. Please assist. Source: [CFPB Complaint #3354050](#)

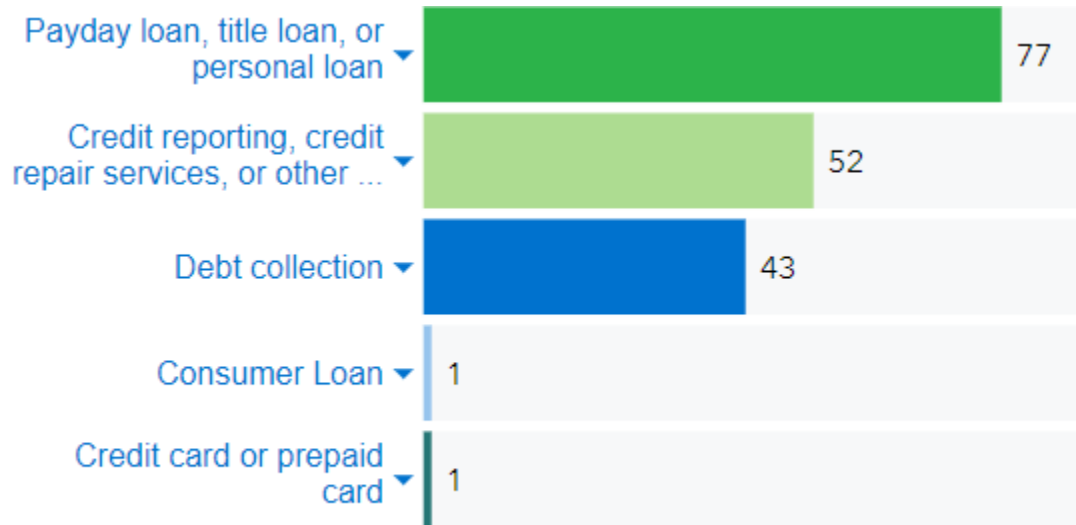
Credit reporting problems

- This loan was charged off at {\$3300.00} (approximately) in XXXX. When I hired XXXX XXXX in XXXX to challenge this item on my credit reports, Opportunity Financial changed the amount and retaliated against me by increasing the amount due on my credit reports to over {\$5100.00} with no justification. Opportunity Financial has a legal obligation to accurately report the past due debt. Likewise, the creditors have an obligation to report accurate information which has been wrong now for more than 3 years. Source: [CFPB Complaint #4169454](#)
- A while back, I had a loan with Opportunity Finance that went into collections. But several months back I contacted them and arranged a settlement to resolve the account that they agreed to. This arrangement was made and fully funded in XXXX of 2020. Despite that, Opportunity continues to report that there is an outstanding balance on this loan. I've disputed the account several times with the credit bureaus, and even called Opportunity Finance and asked them to fix this ; but this account still shows as unresolved on my credit report. Source: [CFPB Complaint #3318860](#)

III. Complaints about Personify

The CFPB has received 176 complaints about Personify. Consumers primarily classified the problems as being about the loan, credit reporting, or debt collection:

CFPB Complaints Against Personify Through Mar. 20, 2023, by Product



The complaints in the loan category were primarily about being charged fees or interest the consumer did not expect, or struggling to pay the loan.

**CFPB Complaints Against Personify Through Mar. 20, 2023
By issue, for complaints categorized as “loan”**



The complaints in the credit reporting category were primarily about incorrect information on the consumer's report, use of the report, or problem with the company's investigation.

CFPB Complaints Against Personify Through Mar. 20, 2023
By issue, for complaints categorized as credit reporting



The complaints in the debt collection category were primarily about attempts to collect debt not owed or communication tactics.

CFPB Complaints Against Personify Through Mar. 20, 2023
By issue, for complaints categorized as debt collection



Below are some examples of complaints submitted to the CFPB about Personify. More complaints are included in Appendix C.

Lack of transparency around high interest rates

- I applied for a loan through Personify with the interest rate of 8.9 % after receiving the email it was actually a interest rate of 89 %. I have made 3 payments of {\$600.00} totaling {\$1800.00} which only {\$9.00} have been paid off the principle of the loan. I called the company to see about getting a lower interest rate and how I can get more applied to the principle, they told me after every 6 payments made on time I would get a 2 % decrees. I am a XXXX veteran who needed a small loan to get caught up on some bills. I am asking to see if a company can truly charge such a high interest rate. or what I can do about this. [Source: CFPB Complaint #5309617 , 3/10/2022]
- Initial request gave an incorrect interest rate. I am currently paying an unbelievable interest rate. My loan details are as follows : Account Type Installment Loan Original Annual Percentage Rate (APR) 98.90 % Original Term 72 Months Contract Date XX/XX/XXXX Current Maturity Date XX/XX/XXXX Current Interest Rate 93.50 % Current Payment Amount {\$410.00} Current Payment Frequency Monthly Amount Financed {\$5000.00} Outstanding Principal Balance {\$4800.00} Accrued Interest {\$510.00} Unpaid Fees {\$270.00} Total Outstanding* {\$5600.00} I have been paying for over a year on this loan and now owe more than what the original loan was for. [Complaint tagged 'servicemember.' Source: CFPB Complaint #3579172, 3/26/2020]
- ... They never really disclosed the interest but told me to create an online account.... I eventually did and they took my banking information for auto payments. I went about my life and the payments came out of my bank {\$150.00} every two weeks like clockwork. Well, in XXXX I had to enter into a credit counseling agreement because my debt that I took on from the pandemic is so great that we are literally drowning in it. I tried to get this loan included but they wouldn't work with my credit counseling company XXXX XXXX XXXX XXXX) So I tried to contact the company myself and was told that I had to let the loan go into default before they would offer me any help. I am already suffering from poor credit so I do not want to do this. I then went into my account to see what the balance was to see if it was an amount I could consider paying off quicker. The balance of my loan was higher than what I had taken out. I had taken out a loan amount of {\$3900.00} and my loan amount was over {\$4100.00} even after {\$1800.00} of payments!!! I cried. How can this be fair? Please help me do something with this loan. I can not keep this up and don't want to go into default. [Source: CFPB Complaint #5948999, 9/5/2022]
- When obtaining this loan I was not aware that interest rate is almost 100 %. I borrowed {\$3500.00} and will end up paying more than {\$11000.00}. How? I can not afford that. In all honesty they were not forthcoming with this information after I applied online and they called me. I have been making {\$140.00} payments every two weeks since XX/XX/2020 and I still owe XXXX. How? Somethings not right about this company. [Source: CFPB Complaint #4475143, 6/20/2021]

Unaffordability and difficulty paying off loan

- I took out this loan a year and a half ago, I understand that payday loans have got high interest rates, but this rate is almost at 100 % interest. I have been making payments since XX/XX/2020 and still have almost 2 years left of payments left to go. I have paid off very little applied. On a {\$2700.00} loan, only approximately {\$350.00} has been applied to principal {\$2900.00} has been applied interest. Although I understand that these loans are higher rates, I feel that this takes advantage of people in desparate financial situations who feel they dont have any other options. I would like to see what can be done to get this loan closed out as soon as possible, since I have already paid a few thousand to this company. [Source: CFPB Complaint #5302546, 3/9/2022]
- My most recent call to Personify Financial was, Monday, XX/XX/2020 @ XXXX XXXX. PST. I asked the representative, why after paying {\$3300.00} in current payments, why was there no payments applied to the principle amount of the loan? The representative, stated that although, my original loan amount was only {\$2600.00}, it showed that my total payments of {\$3300.00}, went toward only the interest of the loan and as of Monday, XX/XX/2020, I balance is {\$2700.00} at an interest rate of 154.81 % and no payments applied to the principle amount of the loan. I asked, if, they could work with me to lower the interest rate, on Monday, XX/XX/2020. and in XX/XX/2020 at XXXX XXXX and at both times, I was refused and declined any other assistants on my loan. If, I pay this loan off as it stays, I would have paid a total of {\$3300.00} + {\$2700.00} = Total of {\$6000.00} [Source: CFPB Complaint #3731839, 7/6/2020]

Debt collection problems, including harassment and aggressive collection tactics

- A man Named XXXX XXXX phone number XXXX called my Mothers phone who is not even listed on my account nor had permission to talk to my mother told her her sent me certified mail, wanted to know my information and even told her my Social security number. This may very well could not have been my mother but a stranger he talked to not knowing giving my personal information to. My mothers name, phone number or any information was not linked to my account. After hanging up with my mother he called my XXXX year sons phone left a detailed message on his voice mail that states his name not mine yet again he left my personal information on a 40 second voicemail about certified mail, debt collection needing a call back left 2 names and again the last 4 of my SS #. This is a direct violation of anyone rights. The dept collections process should not have happened at all. I fill like my information is just being handed out to anyone and everyone by this company. None of the people they have contacted where on my contact list nor did i give them phone numbers of the people they have contacted. I am now worried they are calling people at random giving my private information out to them. [Source: CFPB Complaint #3721056, 7/8/2020]

Identity theft or loans that the customer did not apply for

- XX/XX/2022 I reached out to Personify through CFPB website to file a complaint with this company, before that I filed a police report and identity theft report which by law

served as part of the notice and procedure I have to follow to get a block of this information. I uploaded these things to the CDPB website to forward to the company. I was closed with little explanation and no further steps taken to remedy The consumer after i put the company on notice about me not consenting to the pulling of my credit report and evidence that gat give authorization to this company to continue to report this because it is accurate. I have mailed a certified mailing letter to this company to cease and desist and it arrived XX/XX/2022. I am waiting for a deletion and a response. This company is stopping me from obtains household and personal items due to this fraudulent account on my report. [Source: CFPB Complaint #5781614, 7/18/2022]

- I notified Personify that the account was fraudulent and provided them with the completed fraud paperwork and a police report the beginning of XXXX. They continued to call to collect the debt until XX/XX/2022. On XX/XX/2022 they charged off the account and it is now showing on my credit report as a charge off. I did everything Personify requested of me and this account needs to be removed from my credit report. [Source: CFPB Complaint #5912124, 8/25/2022]

Credit reporting problems

- Not applicable to me, XXXX Account on my credit report I have sent in numerous letters in attempt to verify and get this resolved off my credit report, I have also sent letters to XXXX, XXXX and other reporting agencies and they all keep XXXX the fingers. The company states that they can not find me in their system yet the company is listed as inquiry on my consumer report. I would like this inquiry and others removed expeditiously as they were opened without my written or informed consent. [Source: CFPB Complaint #4969084, 12/2/2021]
- I opened the account in XX/XX/2019. I never missed a payment as they withdrew from my checking account. I paid the account in full ... the account still states I owe {\$970.00}. Personify has not reported accurately (every 30 days) according to XXXX. I have disputed this through XXXX 3 times and I am still getting the same results. In the process of disputing with XXXX, I also contacted Personify on several occasions (speaking with management) asking why this has not yet been reported. They explain that the information has been submitted to XXXX correctly and in a timely manner. Personify also stated I need to contact Transunion as they are not reporting correctly. As of XXXX XXXX I contacted both companies to see if any changes have been made. The results are still the same. Still showing I owe {\$970.00}. I only received a loan for {\$1000.00}. The difference is {\$78.00}. So when other creditors look at my credit report, it shows I have only paid {\$78.00} since XXXX of XXXX. That is 8 months ago. I have exhausted all my options. I have contacted XXXX filed 3 disputes, I have contacted Personify Financial to many times to count and still the same results. I value good credit and pay my bills on time. This is very stressful knowing its paid on time, paid in full way in advance and hoping to raise credit score. As a consumer, I should not have to go this extreme when I agreed to my obligations and kept my obligation!! I bet if I would have ever been late or not paid I bet that would have been reported!! Thank you, please help this is my last resort!!! [Source: CFPB Complaint #3712937, 6/24/2020]

IV. Conclusion

The FDIC should downgrade First Electronic Bank's CRA rating in light of the extensive evidence of the abusive lending and potential violations of the law involving its lending program. High-cost credit that extracts wealth and burdens borrowers in debt does not meet credit needs in a responsible manner and must be penalized on CRA exams.

For questions about these comments, please contact Nadine Chabrier at the Center for Responsible Lending at Nadine.Chabrier@responsiblelending.org or Lauren Saunders at the National Consumer Law Center at lsaunders@nclc.org.

Yours very truly,

Accountable.US
Americans for Financial Reform
Center for Responsible Lending
Consumer Action
Consumer Federation of America
National Consumer Law Center (on behalf of its low-income clients)
Public Citizen
U.S. PIRG
Woodstock Institute