

ACCOUNTABLE^{.US} **consumeraction**  Consumer Federation of America



March 22, 2023

By email to dfi@utah.gov
Commissioner Darryle Rude
Utah Department of Financial Institutions
324 South State Street, Suite 201
Salt Lake City, Utah 84111

Re: Abusive lending practices by First Electronic Bank

Dear Commissioner Rude,

Enclosed please find a comment letter concerning First Electronic Bank's Community Reinvestment Act examination submitted yesterday to the Federal Deposit Insurance Corp. (FDIC) by 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.

In the letter, we document numerous complaints about installment loans up to 180% APR made by two First Electronic Bank lending partners: Opportunity Financial and Applied Data Finance, dba Personify. Those nonbank lenders launder their loans through First Electronic Bank (and other Utah banks) in order to attempt to evade state interest rate laws that forbid loans at such predatory rates. These two First Electronic Bank partners have been the subject of extensive complaints, as well as enforcement actions and private lawsuits. Collectively, the complaints against the loans enabled by the bank reveal:

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

We urge you to stop First Electronic Bank from enabling such predatory loans and from allowing itself to be used by nonbank lenders to evade state consumer protection laws.

If you have any questions, please contact Lauren Saunders, Associate Director of 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)
National Community Reinvestment Coalition
Public Citizen
US PIRG
Woodstock Institute