

Advocates Applaud DC Predatory Rent-a-Bank Lending Settlement

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WASHINGTON - Advocates at the National Consumer Law Center applauded District of Columbia Attorney General Karl Racine's **announcement** today that DC has reached a settlement with predatory rent-a-bank lender OppFi that requires it to abide by the District's interest rate limits and to provide over \$2 million in relief to wronged consumers.

OppFi tried to charge 160% interest in DC despite the District's 24% interest rate cap, using a rent-a-bank scheme to launder its loans through an out-of-state bank.

"DC Attorney General Racine stood up to enforce the District's interest rate limits protecting consumers and showed that predatory rent-a-bank schemes can be successfully challenged," **said Lauren Saunders, associate director at the National Consumer Law Center.** "State interest rate limits are the simplest and most effective protection against predatory lending, and states need not countenance evasions of their laws by predatory rent-a-bank lenders."

"States should follow DC's lead and challenge **predatory rent-a-bank schemes within their borders,**" **Saunders added.** "The FDIC also needs to **stop letting its banks front for predatory lenders,** and Congress should pass the **Veterans and Consumers Fair Credit Act,** which would cap interest rates on lenders, including banks, at 36% and stop predatory rent-a-bank schemes."

For more information on rent-a-bank schemes, visit **NCLC's Rent-a-Bank Loans** page and our **Predatory Rent-a-Bank Loan Watch List.**