

# New Report and Consumer Alert Flag Deceptive Auto Repair Financing Practices

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*National auto repair chains like AAMCO, JiffyLube, Meineke, and Midas, and local repair shops are steering customers to predatory lenders engaged in deceptive and abusive practices, charging up to 189% APR*

WASHINGTON – A **report** released today by the Stop The Debt Trap coalition finds auto repair shops across the country are offering predatory loans through EasyPay Finance and Transportation Alliance Bank (TAB Bank) that promise no interest if paid in 90 days but end up carry annual interest rates up to 189% – even in states where a rate that high is illegal. The report highlights some of the hundreds of complaints detailing deceptive and abusive practices concerning loans by EasyPay Finance, its parent company Duvera Billing Services, and Utah-based bank, TAB Bank, which helps EasyPay evade state laws. EasyPay Finance loans are available at auto repair and tire shops around the country, including at major chains such as AAMCO, Big O Tires, Grease Monkey, JiffyLube, Meineke, Midas, and Precision Tune Auto Care.

The National Consumer Law Center also released a **Consumer Alert** about these loans, which warns consumers to “beware of the fine print that could disguise costly loans at rates up to 189%.” Advocates urge consumers to avoid any loan above 36% APR including fees. If caught in an EasyPay Finance loan, consumers should file a complaint with the CFPB and state regulators, opt out of the forced arbitration clause, and consult a lawyer.

“Loans at 189% are illegal in most states, but TAB Bank is helping EasyPay Finance evade those laws and multiply the pain of an expensive car repair,” **said Lauren Saunders, associate director at the National Consumer Law Center.**

TAB Bank is one of only a few rogue banks willing to front for predatory lenders. The bank, which is chartered in Utah and supervised by the FDIC, helps EasyPay Finance (owned by Duvera Billing Services) charge up to 189% on loans offered through stores nationwide, including auto mechanics, furniture stores, and pet stores offering predatory puppy loans. In states that have outlawed predatory interest rates, EasyPay Finance launders its loans through TAB Bank so that it can charge high interest rates that it cannot legally charge as a non-bank lender. In other states, it makes the loans directly.

“Auto repair shops throughout the country, including major auto repair companies, are steering struggling consumers into deceptive, high cost loans with lasting impacts, including credit report harm and debt collection harassment,” **said Rachel Gittleman, Financial Services Outreach Manager at Consumer Federation of America.**

“AAMCO, JiffyLube, Meineke, Midas, and other car repair companies bring shame to their name by helping to spring a debt trap on their customers. Car repair shops and TAB Bank should stop facilitating this predatory lending scheme and the FDIC should shut it down,” **said Taylor Roberson, federal policy counsel at the Center for Responsible Lending.**

In addition to the excessive interest rates, complaints about the TAB Bank/EasyPay Finance loans describe tactics to conceal the interest rate, exploitation of veterans and servicemembers, the use of

impossible-to-obtain 90-day full-interest rebate offers, unauthorized direct debits, mistakes and poor customer service, damaged credit reports, and debt collection harassment.

“A car repair can be a devastating expense, and financially fragile families don’t need predatory lenders amplifying the damage. EasyPay and its rent-a-bank partner TAB Bank are preying on people in a way that exploits the centrality of cars in American society. For most people, having a car that runs well is essential to their daily economic life and to managing a family,” **said Elyse Hicks, Consumer Policy Counsel at Americans for Financial Reform.**

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Stop the Debt Trap is a coalition of more than 800 civil rights, consumer, labor, faith, veterans, seniors and community organizations from all 50 states working together to stop predatory lending.