

High-Interest Consumer Loans

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Oregon Consumer Justice (OCJ) works collaboratively across **policy, advocacy, community engagement**, and the law to realize a more just and equitable Oregon where people come first.



Rent-a-Bank Scheme

1

High-cost lender advertises loan in its own name to borrower

2

High-cost lender processes loan application from borrower

3

High-cost lender arranges an out of state bank to put their name on the loan to avoid state lending laws

4

Out of state bank sends money to the borrower

5

Consumer works with high-cost lender for payments and other services



OppLoans Sample Loan Document

Loan terms for OppFi's product, OppLoans, can be found in the promissory note created at the initiation of a loan. Below are portions of the first and second pages of a sample promissory note from OppFi in 2022.¹

The original amount financed is \$1,700, with an Annual Percentage Rate (APR) of approximately 160%. The finance charge is about \$2,821, for a total repayment amount of \$4,521, assuming there are no late fees or additional charges.

OppFi partners with Finwise Bank, a bank chartered in Utah, to provide the loan. In many states with rate caps on personal loans, this partnership would allow OppFi to evade state interest rate limits.

LENDER: FinWise Bank		ADDRESS C/O Opportunity Financial, LLC 130 E Randolph St, Suite 3400	CITY Chicago	STATE IL	ZIP CODE 60601	PHONE (800) 990-9130
BORROWER: [REDACTED]	MAIN PHONE [REDACTED]	WORK PHONE [REDACTED]	MOBILE PHONE [REDACTED]			
ADDRESS [REDACTED]		CITY [REDACTED]	STATE [REDACTED]	ZIP CODE [REDACTED]		
FEDERAL TRUTH IN LENDING DISCLOSURE STATEMENT						
ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate.</small> 159.56%	FINANCE CHARGE <small>The dollar amount the credit will cost you.</small> \$2,821.80	AMOUNT FINANCED <small>The amount of credit provided to you or on your behalf.</small> \$1,700.00	TOTAL OF PAYMENTS <small>The amount you will have paid after you have made all payments as scheduled.</small> \$4,521.80			



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Rent-a-Bank in Oregon

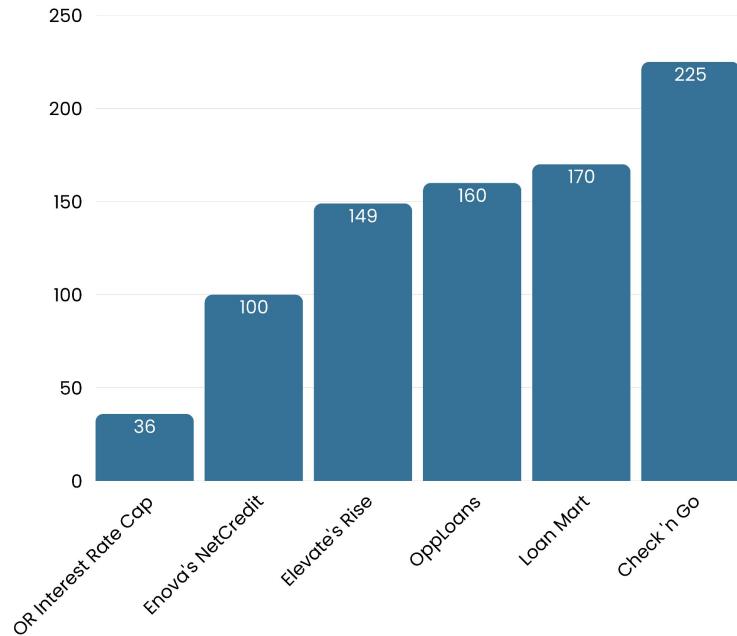
Check 'n Go: up to 225%

Loan Mart: 170%

OppLoans: 160%

Elevate's Rise: 99%-149%

Enova's NetCredit: 100%



Impacts on Consumers

- Protects Consumers from Predatory High Cost Credit
- Reduces Cycles of Debt and Financial Instability
- Keeps more Money in Consumer Pockets and the Local Economy
- Supports Reasonable Lending and Market Fairness
- Restores State Authority to Protect Consumers



Oregon Consumer Justice

High Interest Consumer Loans: Restoring Oregon's Authority to Enforce its Lending Laws

Ellen Harnick, Executive Vice President & Director of State Policy
Center for Responsible Lending

January 14, 2025 | House Committee on Commerce and
Consumer Protection

Center for Responsible Lending



CRL is a non-partisan, nonprofit research and policy advocacy organization working **to promote financial fairness and economic opportunity for all**, end predatory lending, and close the racial wealth gap.

CRL is an affiliate of Self-Help, one of the nation's largest nonprofit community development financial institutions, with branches in ten states. We work in partnership with national and local consumer, faith, and civil rights organizations.

Oregon's State Authority and Enforcement Powers



Consumer Loan Rate Cap

- Oregon has had 36% interest rate cap on consumer loans (ORS 725.340)
- “Rent-A-Bank” schemes undermine state policy choices to protect consumers, fair markets, and enforcement authority
- Opting out of the Depository Institutions Deregulation and Monetary Control Act (DIDMCA) restores Oregon’s authority to enforce state law

Rent-A-Bank in Practice: OppFi Example



Loans ▾ About Us Learn ▾ Help ▾

Apply Now

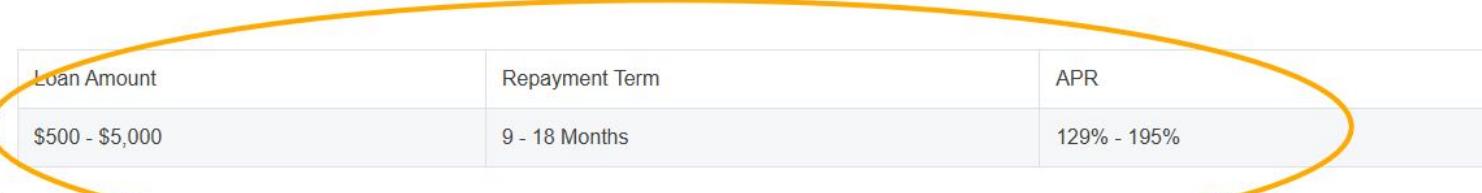
Log In

OppLoans > Rates and Terms > Oregon

OREGON LICENSURE INFORMATION

Loan Details in Oregon

The figures below are examples of our lending partner's typical installment loan offers and do not serve as guarantee of any rates and terms that you may qualify for.

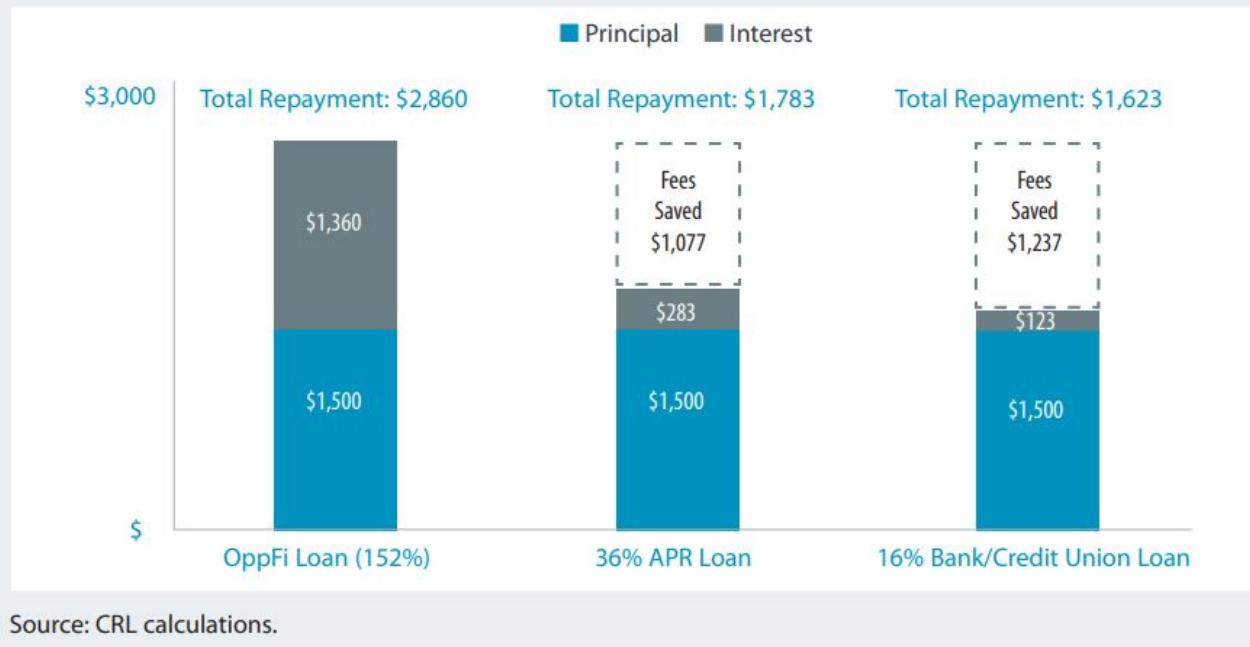
A yellow oval highlights the table of loan details. The table has three columns: 'Loan Amount', 'Repayment Term', and 'APR'.

Loan Amount	Repayment Term	APR
\$500 - \$5,000	9 - 18 Months	129% - 195%

<https://www.opploans.com/rates-and-terms/oregon/>

Rent-A-Bank in Practice: OppFi Example

Figure 1: Total Repayment Costs for a \$1,500 Loan with an 11-Month Term



Source: CRL calculations.

Adding Fuel to the Fire: OppFi Hurts, Does Not Help, Borrowers' Credit Health, CRL (April 2023)

Opt-Out Protects Consumers and Oregon State-Chartered Banks

- Oregon enacted interest rate cap in 2007
- Opt-out does not create a new standard; simply requires that *all* consumer lenders comply with state law
- Unregulated bank-lender arrangements distorts marketplace, disadvantages Oregon state-chartered banks

Addressing Opt-Out Questions and Concerns

Access to Credit

- Oregon's rate cap is expansive, allows flexibility
- Reasonable loans fit well within Oregon's interest rate cap
- Credit that leaves borrowers worse off is not access; its extraction and cuts off access to better credit

National Banks

- National banks already have authority to lend nationwide
- There is no need to lend at rates higher than 36% APR
- Risk management, reputational concerns limit participation in predatory, high-cost lending

Colorado and DIDMCA Opt-Out

Colorado's 2023 DIDMCA Opt-Out

2018
Voters approve a 36% APR on short-term small-dollar loans

2023
Colorado enacts DIDMCA opt-out law (HB 1229)

June 2024
District Court limited Colorado enforcement to state-chartered banks or lending operations within Colorado

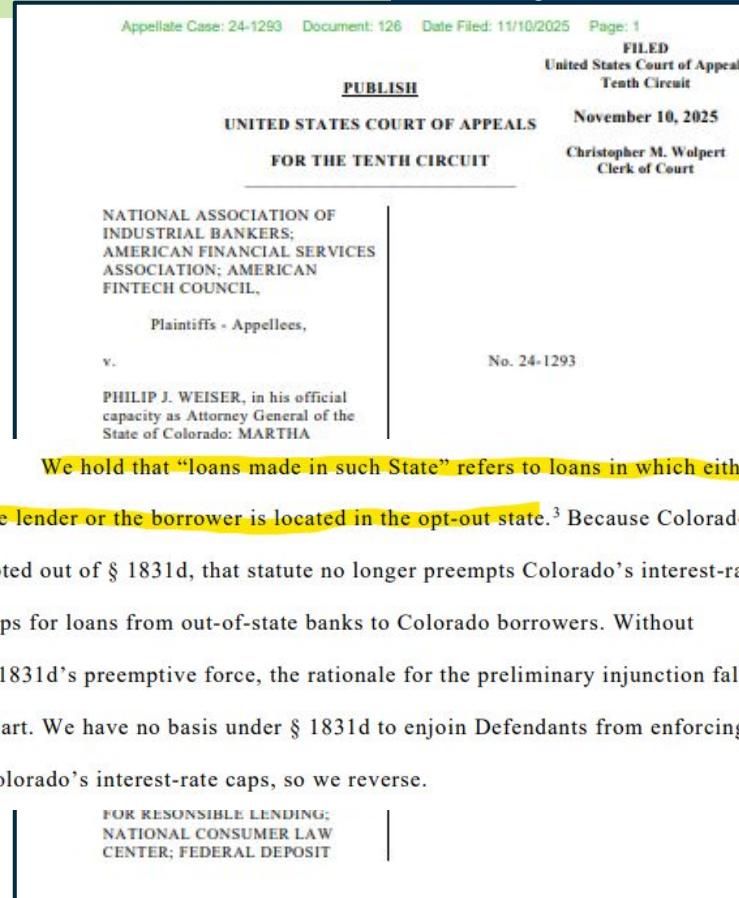
2019–2022
Online lenders use Rent-A-Bank schemes to evade state law; Colorado sues two Rent-A-Bank lenders

2023–2024
High-cost lending trade groups sue Colorado to block enforcement

Nov 2025
Tenth Circuit panel reverses, upholds Colorado power to include out-of-state banks

Tenth Circuit Panel Decision

- In November 2025, 2-1 Tenth Circuit panel upheld Colorado's authority to enforce its laws against out-of-state lenders
- A loan is considered “made in” a State if either the borrower or lender is located in the opt-out state
- Lenders' petition for reconsideration is pending



Opting Out is the Right Option for Oregon

- Restores Oregon's enforcement authority
- Protects consumers from triple-digit interest rate loans by out-of-state lenders
- Protects Oregon's state-licensed lenders who comply with Oregon law
- The Legislature of Oregon—not, Utah or Kentucky—sets the rules that apply in Oregon

Contact and Resources

- Ellen Harnick, Executive Vice President & Director of State Policy, Center for Responsible Lending
- Ellen.Harnick@responsiblelending.org
- <https://www.responsiblelending.org/rentabank>