


# High-Interest Consumer Loans

**Angela Donley, State Policy Director**  
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[adonley@ocj.org](mailto:adonley@ocj.org)



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.



Oregon Consumer Justice

# 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.<sup>1</sup>

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.

Loan Effective Date 09/20/2022

Loan # [REDACTED]

Customer # [REDACTED]

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		MOBILE PHONE: [REDACTED]	
ADDRESS: [REDACTED]				CITY: [REDACTED]	STATE: [REDACTED]	ZIP CODE: [REDACTED]	

### FEDERAL TRUTH IN LENDING DISCLOSURE STATEMENT

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
159.58%	\$2,821.60	\$1,700.00	\$4,521.60



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# Rent-a-Bank in Oregon

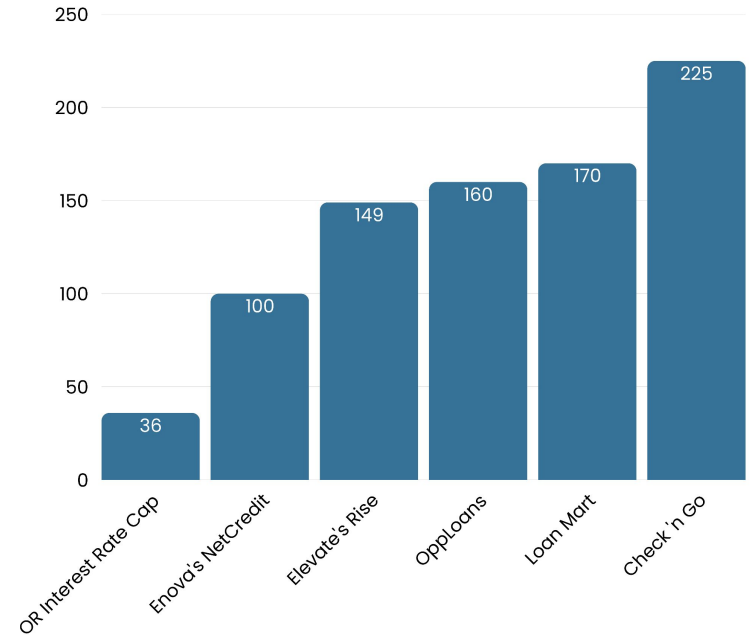
Check 'n Go: up to 225%

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



# 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

[OppLoans](#) > [Rates and Terms](#) > Oregon

## OREGON LICENSURE INFORMATION

### Loan Details in Oregon

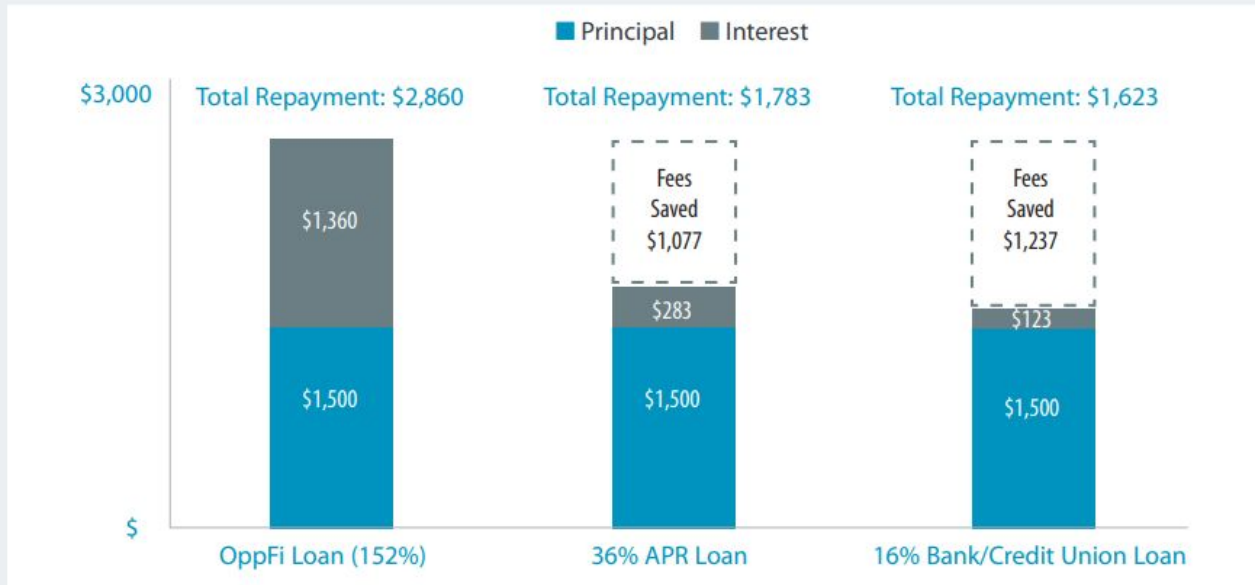
*The figures below are examples of our lending partner's typical installment loan offers and do not serve as guarantee of any rates and terms that you may qualify for.*

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

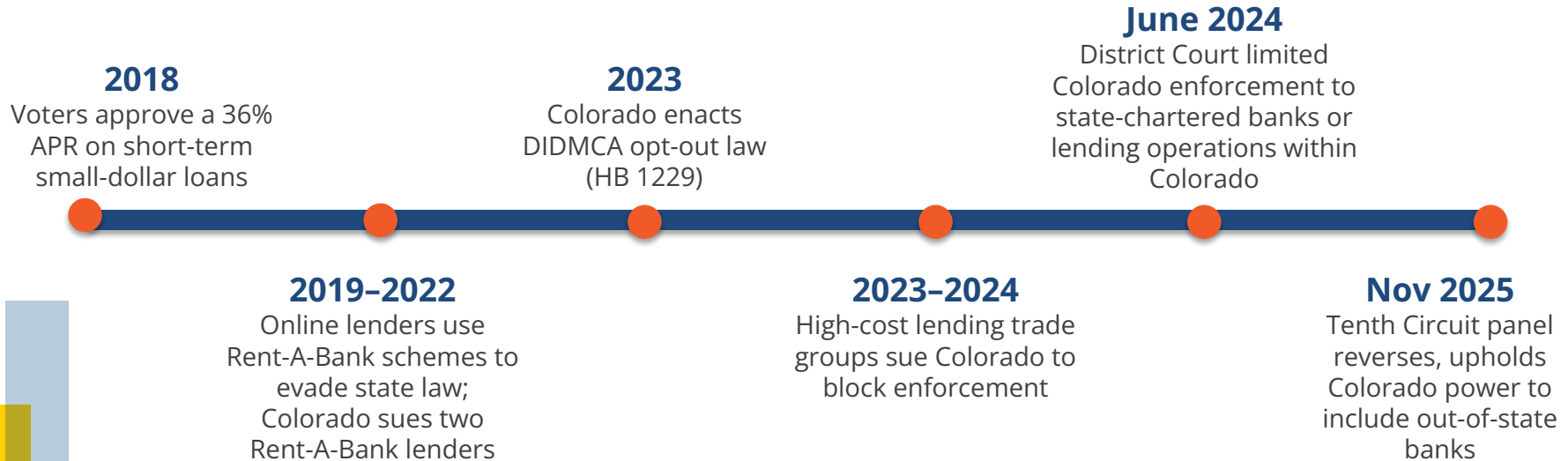
# National Banks

- 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



# 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

Appellate Case: 24-1293 Document: 126 Date Filed: 11/10/2025 Page: 1

FILED  
United States Court of Appeals  
Tenth Circuit  
November 10, 2025  
Christopher M. Wolpert  
Clerk of Court

**PUBLISH**  
UNITED STATES COURT OF APPEALS  
FOR THE TENTH CIRCUIT

NATIONAL ASSOCIATION OF  
INDUSTRIAL BANKERS;  
AMERICAN FINANCIAL SERVICES  
ASSOCIATION; AMERICAN  
FINTECH COUNCIL,  
  
Plaintiffs - Appellees,  
  
v.  
  
PHILIP J. WEISER, in his official  
capacity as Attorney General of the  
State of Colorado; MARTHA

No. 24-1293

We hold that "loans made in such State" refers to loans in which either the lender or the borrower is located in the opt-out state.<sup>3</sup> Because Colorado has opted out of § 1831d, that statute no longer preempts Colorado's interest-rate caps for loans from out-of-state banks to Colorado borrowers. Without § 1831d's preemptive force, the rationale for the preliminary injunction falls apart. We have no basis under § 1831d to enjoin Defendants from enforcing Colorado's interest-rate caps, so we reverse.

FOR RESPONSIBLE LENDING;  
NATIONAL CONSUMER LAW  
CENTER; FEDERAL DEPOSIT

# 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](mailto:Ellen.Harnick@responsiblelending.org)
- <https://www.responsiblelending.org/rentabank>