



WOODSTOCK  
INSTITUTE

Illinois's Predatory Loan  
Prevention Act: The Impacts  
of the State's 36% Rate Cap

**The PLPA is  
Still Working;**

**BUT THE  
PREDATORY  
LENDERS  
\$TRIKE BACK!**

SECOND EDITION

FEBRUARY  
2026

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# ACKNOWLEDGMENTS

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## WOODSTOCK INSTITUTE

Woodstock Institute is a leading nonprofit research and policy organization working in the areas of fair lending, wealth creation, financial systems reform, and safe, affordable financial products and services. Woodstock collaborates locally and nationally to create a financial system in which lower-income people and communities of color can safely borrow, save, and build wealth to achieve economic security and community prosperity.

Woodstock Institute has been a recognized economic justice leader and bridge-builder between communities and policymakers in this field since its founding in Woodstock, Illinois, in 1973. Now based in Chicago, we collaborate with community and nonprofit groups, financial institutions, and policymakers. Our key tools include applied research, policy development, coalition building, and technical assistance. Woodstock conducts research on financial products and practices, promotes effective state and federal policies, builds coalitions of community investment stakeholders, and helps people understand economic issues so they can develop and implement solutions relevant to their community.

## ABOUT THE AUTHORS



**Brent Adams, J.D., M.A.** has experience as a litigator, lobbyist, political organizer, teacher, debate coach, and policy advocate. As Policy Director at Citizen Action/Illinois, he drafted the Payday Loan Reform Act of 2005. In 2009, Illinois Governor Pat Quinn appointed Brent the Secretary of Financial & Professional Regulation. In that capacity, Brent served as the State's top regulator. As Senior Vice President for Policy & Advocacy for Woodstock Institute, he worked with the Illinois Legislative Black Caucus in drafting the Predatory Loan Prevention Act and the state Community Reinvestment Act. In 2021, he received a proclamation from the Illinois State Senate for "his exceptional career fighting on behalf of Illinoisans." Brent received his B.S. and M.A. in Rhetoric from Northwestern University and his J.D. from New York University School of Law.



**Spencer Cowan, Ph.D., J.D.** left the position of Research Director at Woodstock Institute to become Senior Research Fellow in 2023. He continues to work on research and collaborate with Woodstock on special projects. Spencer first joined Woodstock in late 2011 to lead its research efforts after serving as Senior Research Associate at the Center for Urban and Regional Studies at the University of North Carolina for nine years. Spencer received his Ph.D. in City and Regional Planning from the University of North Carolina, an M.A. in Urban and Regional Planning from the University of Florida, a J.D. from Boston University School of Law, and a A.B. in Political Science from Columbia University.



**Myanno Miller** joined Woodstock Institute as Advocacy Associate in 2024. In her role, she helps to promote racial and financial equity among policymakers, financial institutions, nonprofit organizations, and other community stakeholders. Before joining Woodstock, Myanno interned with a Member of Congress, and, at the Center for Development and Integration in Vietnam, helped develop policy reports for the Vietnamese National Assembly. During COVID-19 isolation, she founded and led Students for Black Lives, raising funds and awareness for racial justice initiatives while drawing on her background as a Black and Burmese woman. Myanno graduated from Northwestern University with a Bachelor's in Political Science and International Studies with a concentration on Asian humanities.

# EXECUTIVE SUMMARY

**1** Around the time Illinois began to license payday lenders in 2005, the State was estimated to have more payday lenders than McDonald's. In 2011, there were 518 licensed payday loan stores in Illinois. Now there are zero.

**2** Contrary to predictions by the predatory lending industry, consumer lending has been robust since the PLPA was enacted. In 2019—the last full year of reporting before the PLPA and before COVID—the total principal amount of all loans reported to the database was a little over \$1 billion. In 2023 and 2024, the total principal amount reported to the database was \$1.4 billion for each year.<sup>1</sup>

**3** Annually, Illinois consumers save an estimated \$663.9 million on high-cost loan interest and fees (high-cost means more than 36% APR). Additional research is necessary to determine how consumers are utilizing these savings.

**4** Illinois voters, by a margin of 88% to 4%, support an interest rate cap of 36% or lower. The margin of support is even higher among former high-cost loan borrowers.

**5** Predatory lenders are evading the PLPA and making loans with triple-digit APRs by colluding with banks based in states with no rate caps. The PLPA was written to stop such “rent-a-bank” evasions. One of the nation's most notorious evaders of state rate caps, Opportunity Financial (“OppFi”), is based in Chicago. There are strong indications that OppFi's lending operation violates the PLPA's “No Evasion” provisions.

**6** Since the PLPA was passed in 2021, the predatory lending industry has successfully lobbied state legislators to file at least seven bills that weaken the PLPA and/or raise the amount of interest and fees allowable under the PLPA. The most recent piece of legislation (SB 1853/HB 3455), which was filed in 2025, would have increased interest and fees by approximately \$1 billion for loans originated in 2023 and 2024.

**7** Because of arbitration clauses and “choice of law” provisions, Illinois consumers who fall prey to internet loans that charge triple-digit APRs can wind up in arbitration with an arbitrator applying the laws of a state or country with no rate caps and/or weaker consumer protections than Illinois'. The law permits arbitrators to disregard Illinois public policy in favor of the company's intent. This has implications beyond consumer finance with the internet becoming more like the Wild West.

**8** The “Pawnbroker Carveout,” under which pawnbrokers are not required to comply with the PLPA, even though it was written to encompass all forms of high-cost consumer lending, has not caused lenders to migrate to that industry. However, it still allows pawnbrokers to charge as much as 240% APR on most loans, costing Illinois consumers in 2024 between \$51 and \$68 million more than they would have paid under the PLPA.

1. The PLPA eliminated various loan types and added installment loans to the types of loans reported to the IDFPR database. Thus, different types of consumer loans were reported to the database in 2019 as compared to 2023-2024.

# 1. THE PREDATORY LOAN PREVENTION ACT IS STILL WORKING!

The Predatory Loan Prevention Act (PLPA) took effect in March 2021, limiting the maximum annual percentage rate (APR) on consumer loans to 36%, including all fees and other charges.<sup>2</sup> The PLPA was developed by the Illinois Legislative Black Caucus as part of a package of bills aimed at eliminating structural racism.

## A. There are No More Payday Loans in Illinois.

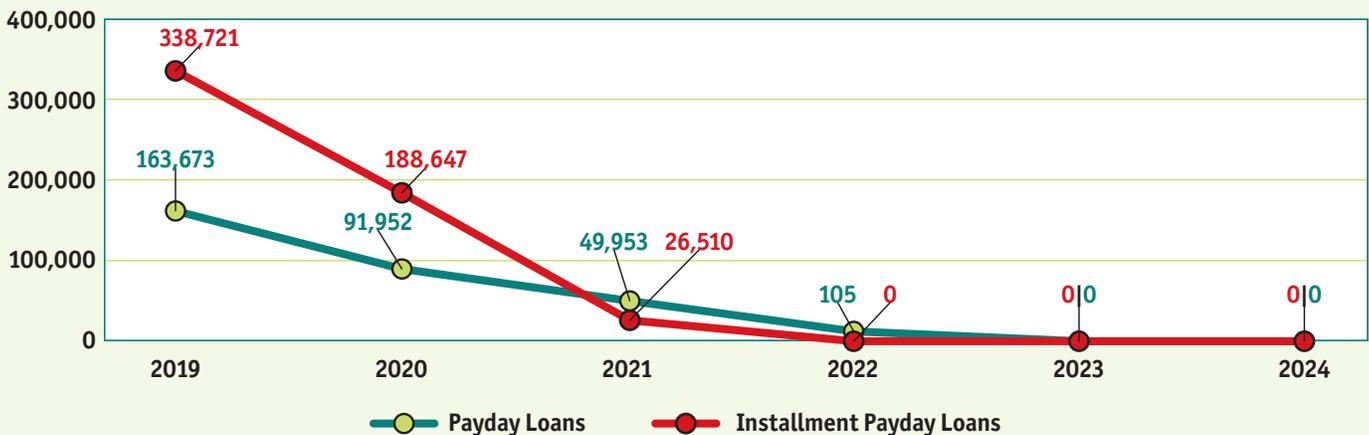
Around the time Illinois began to license payday lenders in 2005, the State was estimated to have more payday lenders than McDonald's.<sup>3</sup> In 2011, there were 518 licensed payday loan stores in Illinois. Now there are zero. Before 2005, when the Payday Loan Reform Act (PLRA) became law, the APR on payday loans sometimes

exceeded 1,000%. The PLRA capped interest rates, but a 14-day payday loan could still cost as much as 404% APR. The average APR on a payday loan in 2020—the year before the PLPA took effect—was 297%; the average APR on an installment payday loan, a longer-term payday loan, was 228%.<sup>4</sup>

As a result of the PLPA's 36% cap, as seen in Chart 1, the payday lenders decided to close or leave the State rather than make loans at affordable rates.<sup>5</sup>

As discussed in Section 1.D below, the vast majority of Illinoisans don't miss payday lenders. This includes people that identify as former payday loan borrowers.

CHART 1: NUMBER OF REPORTED PAYDAY LOANS, 2019-2024



2. The PLPA covers only consumer loans (not business loans) and exempts banks and credit unions.  
 3. Steven Graves, California State University, Northridge, [Think Payday Lending isn't out of control in the United States?](#) (2006).

4. Illinois Department of Financial and Professional Regulation, *Illinois Trends Report Select Consumer Loan Products Through December 2020* at 18, 25 (last updated Nov. 23, 2021).  
 5. This chart is based on IDFPR data collected by the statewide database established by the Payday Loan Reform Act of 2005, 815 ILCS 122/2-15 (referred to hereinafter as "IDFPR Database").



*People are happy payday loans are gone. I'm happy they're gone. They don't work with people, and the little money you do make, they try to squeeze out of you at every opportunity. — Lettie Hicks*

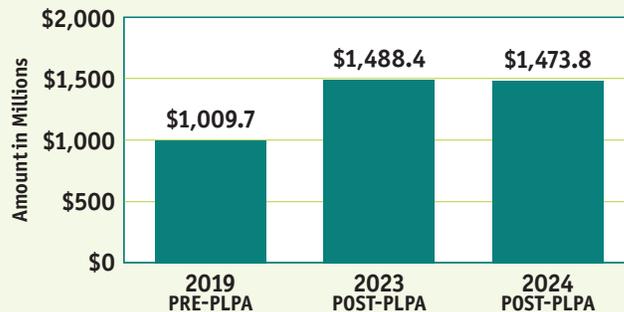


*I think it's awesome that they're gone. I knew something was off when they wanted me to take out more money when I was two payments away from paying off my loan. — Cassie Jordan*

## **B.** Consumer Lending Has Been Robust Under the PLPA.

An industry podcast that was broadcast shortly after the PLPA was passed predicted that the PLPA, if it became law, “would create havoc within the State.”<sup>6</sup> Such havoc has failed to materialize. In fact, recent research by the Financial Health Network shows that, for Cook County, the State’s most populous county, financial health “has shown small but meaningful improvements since 2022, particularly for the most at-risk households.”<sup>7</sup> In addition, not only has credit *not* dried up since the PLPA, data show that consumer lending has been robust even under a 36% APR cap (Chart 2).<sup>8</sup>

**CHART 2: TOTAL DOLLAR AMOUNT OF LOANS**



Before the PLPA, lenders reported four types of loans to the statewide database: payday loans, installment payday loans, auto title loans, and “small consumer loans.” The PLPA statutorily eliminated installment payday loans and “small consumer loans,” and companies stopped making payday loans. Traditional auto title lenders like TitleMax closed all their branches.

**IMAGE 1**



The PLPA added “garden-variety” consumer installment loans to the types of loans reported to the database. In sum, it deleted certain loans from the database but added more typical loan types, such as loans to purchase consumer goods or cars.

Because of the changes in the types of data reported to the database, the pre- and post-PLPA numbers are not an apples-to-apples comparison. No matter how you slice it (pun intended), however, the post-PLPA data reflect a robust consumer lending market.

6. Ballard Spahr, *Consumer Finance Monitor*, Podcast, “[SB 1792 and the Illinois Predatory Loan Prevention Act: A Look at Key Issues](#),” at 3:47 (Feb. 11, 2021) (“Industry Podcast”).

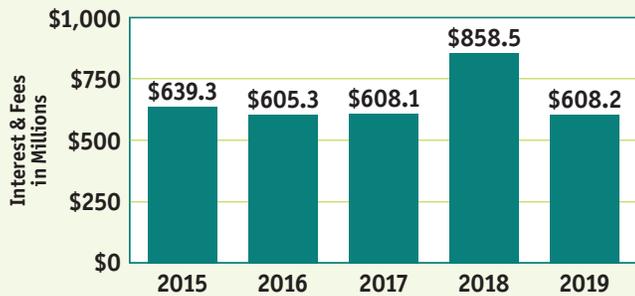
7. Necati Celik, Amber Jackson, and Taylor C. Nelms, [Financial Health Network, Financial Health Pulse 2025 Chicago Trends Report: Modest Gains, Mounting Pressures](#), at 9 (Jan. 2025).

8. IDFPD Database.

## C. Illinois consumers are saving an estimated \$663.9 million per year on high-cost loan interest and fees.

Of all states in the country, Illinois had the fourth highest amount of interest and fees on payday and title loans drained from borrowers each year.<sup>9</sup> The data on pre-PLPA loans show how much borrowers paid in interest and fees to take out high-cost loans (Chart 3).<sup>10</sup> For each of the five years between 2015 and 2019, the last pre-COVID year, borrowers paid in excess of \$600 million per year in interest and fees for those loans.

CHART 3: AGGREGATE HIGH-COST LOAN INTEREST AND FEES



To create an estimate of how much Illinois consumers would be spending today on high-cost loans without the PLPA, we averaged the total amount spent from 2015-2019. Using this methodology, we can say that Illinois consumers are saving an estimated \$663.9 million per year in high-cost loan interest and fees. Additional research is necessary to determine how consumers are utilizing these savings.

“High-cost loan,” for purposes of this section, includes the four loan types reported to the database before the PLPA: payday loans, installment payday loans, traditional title loans, and small consumer loans. Payday loans were single-payment loans with APRs higher than 36% and terms between 14 and 45 days.

Installment payday loans were like payday loans except payable in multiple installments with terms between 112 and 180 days. Title loans were loans with APRs in excess of 36% in which the consumer provided to the lender, as security for the loan, physical possession of the consumer’s title to a motor vehicle. A “small consumer loan” was an installment loan of \$4,000 or less with APRs between 36% and 99%.

The PLPA eliminated “installment payment loans” and “small consumer loans” as a matter of law. The definitions of payday loans and title loans remained the same, but the PLPA placed them under the 36% APR cap.

## D. Illinoisans, Including Former Payday Loan Borrowers, Resoundingly Support the PLPA.

One measure of whether the PLPA is working is to ask consumers whether they support it. In a poll we commissioned in 2022, Illinois consumers across party lines voiced overwhelming support for a cap on interest rates of 36%.<sup>11</sup> The poll further showed that Illinois consumers were meeting their needs for short-term cash through a variety of mechanisms—the top ones being credit cards, personal savings, and borrowing from family and friends.<sup>12</sup>

We decided to poll Illinois consumers again to measure whether support had changed, also wanting to look specifically at support among people who had previously relied on high-cost loans—the type of loans that the PLPA had made illegal. The outcome of the poll shows continued support for the interest rate cap. Further, an overwhelming majority supported a cap even lower than 36%, and such support was *even higher* among the population that had previously relied on high-cost loans (Chart 4).<sup>13</sup>

9. Diane Standaert, Delvin Davis, and Charla Rios, Center for Responsible Lending, [Payday and Car Title Lenders Drain Nearly \\$8 Billion in Fees Every Year](#) (April 2019).

10. IDFPD Database.

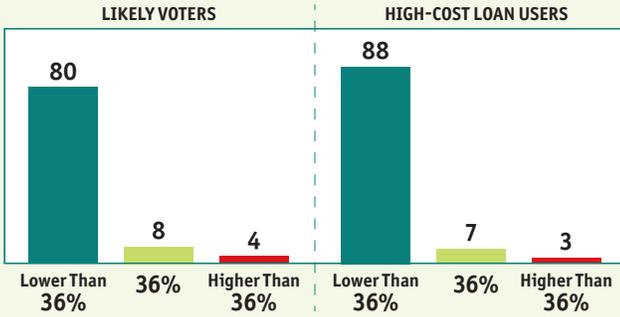
11. David Mermin and Emily Garner, *Lake Research Partners*, “[New Polling Shows Overwhelming Public Support for Interest Rate Cap and Continued Access to Credit](#)” (July 30, 2024).

12. See *Id.* at 4; Woodstock is actively working to promote the creation of safe and affordable alternatives to high-cost loans. One such example is the [Income Advance](#) product, which allows employers to partner with lenders to give employees access to lower-cost loans repaid via payroll deduction — terms

vary by lender and employer, but loans are generally around \$1,000 for a 6-12 month term, making the payments deducted from paychecks manageable for the borrower. The only qualification is the employee’s tenure at the company, usually at least 6 months, so the loan is accessible to employees with credit score challenges. The loan payments are reported to credit bureaus to build positive credit history, and after the loan is repaid the payroll deductions transition to building emergency savings unless the employee opts out; so the loan helps employees build financial resilience for the future. See Horacio Mendez and Sara Wasserteil, *Crain’s Chicago Business*, “[Helping employees opt out of the predatory lending industry is good business](#)” (Dec. 9, 2025).

13. IDFPD Database.

CHART 4: THE RATE CAP SHOULD BE...



One might expect people that previously used high-cost loans to oppose the rate cap and/or to support a higher cap. Opponents of the PLPA frequently assert that their opposition is based on a desire to serve that population. Quantitatively, the opponents’ position lacks merit. It lacks merit qualitatively too, as shown by the testimonials in this report.



*I had to quit working at a payday loan company after one month once I learned what they were doing. They purposely had us call folks on the 1st and the 3rd to try and get people’s disability checks. How can you in good conscience sell them something you know they can’t afford? — Susan H.*



*Payday lenders are not on our side. People find alternatives to payday loans. They do Uber, Doordash, Lyft, Gopuff... There are other ways to make ends meet.*

— Courtney Thompson

# 2. PREDATORY LENDERS STRIKE BACK!

## A. Evasion

The quickest way for predatory lenders to strike back against the PLPA and recapture their lost profits was not to attack it directly through litigation or legislation, but to evade it by making loans that squarely violated the law and hope that nothing gets in the way. In January 2020, Kesha Thompson-Warren received a title loan for \$1,200 to pay contractors for her janitorial and property preservation business. At an APR of 197.64%, she owed \$4,211.10 in interest and fees on the loan. Kesha shared her personal experience to help the PLPA become law, receiving Woodstock’s Advocate of the Year Award in 2021.<sup>14</sup> In November 2023, struggling to make ends meet, Kesha received a loan from Opportunity Financial (“OppFi”) with an APR of 159.51% despite Illinois’s interest rate cap of 36% APR.

IMAGE 2: The Truth-In-Lending disclosure box on Kesha’s November 2023 loan contract from OppFi.

<p><b>ANNUAL PERCENTAGE RATE</b></p> <p>The cost of your credit as a yearly rate.</p> <p><b>159.51%</b></p>	<p><b>FINANCE CHARGE</b></p> <p>The dollar amount the credit will cost you.</p> <p><b>\$1,362.80</b></p>
<p><b>AMOUNT FINANCED</b></p> <p>The amount of credit provided to you or on your behalf.</p> <p><b>\$1,800.00</b></p>	<p><b>TOTAL OF PAYMENTS</b></p> <p>The amount you will have paid after you have made all payments as scheduled.</p> <p><b>\$3,162.80</b></p>

14. We will be referring to Kesha by her first name in this report as per her personal preference.

## RENT-A-BANK

Federal law permits an out-of-state bank to make loans at interest rates allowable under the laws of the bank's home state.<sup>15</sup> For example, a bank in Utah can make loans in Illinois at rates allowed in Utah. Utah has no caps on rates, so a Utah bank can charge Illinois consumers whatever rates it chooses. Lenders partner with out-of-state banks in an attempt to take advantage of this privilege.<sup>16</sup> The lenders call these arrangements "bank partnerships."<sup>17</sup> Consumer advocates call them "rent-a-bank" schemes because the so-called "partnership" is borne out of the location of the bank. It has nothing to do with the financial acumen or banking ability of the institution. The so-called "partnership" is a facade. The lender is essentially using the bank as a front. In the words of a lender with years of experience in the high-cost space, "When we partner with a bank to make loans in states with strong rate caps we are realistically interested in the bank's letterhead, not their banking skills."<sup>18</sup>

OppFi partnered with Utah-based Capital Community Bank (CCBank) to make Kesha's loan. OppFi's relationship with CCBank is a classic rent-a-bank scheme. CCBank happens to be in Utah, a state with no "interest rate ceiling."<sup>19</sup> A remarkable number of rent-a-bank schemes involve banks based in Utah.<sup>20</sup> The same lender quoted above refers to Utah as "the rent-a-bank capital of the planet."

The existence of CCBank is buried in fine print on Kesha's loan contract. That is the extent of their "partnership" as viewed by an outsider or the consumer borrowing the

money. Kesha applied for the loan via OppFi's website. She made her payments to OppFi. OppFi's name and logo are emblazoned on the multitude of e-mails that the company sent to Kesha about her loan, encouraging her to borrow more money even while she was still repaying her high-cost loan that carried an APR wildly in excess of the Illinois cap of 36%.

**IMAGE 3: An OppFi email to Kesha offering the "opportunity" to re-borrow the amount she has already paid toward her principal:**



Online Personal Loans   OppU Resources   Contact Us

**Hi Kesha,**

OppLoans knows that life's unexpected expenses can happen at any time. That's why we offer a solution that can provide some relief when you need it most. With a **Refinance**,<sup>^</sup> you have the opportunity to re-borrow the amount you've already paid toward your principal loan.

**Here are a few key features of applying:**

- Applying will not negatively impact your FICO® score.<sup>1</sup>
- No hidden fees, along with an updated payment schedule.
- If approved, you may receive additional funds as soon as the **same business day**.\*

**Apply Now**

15. 12 U.S.C. § 1831d (2021).

16. Some lenders have opted to simply become banks instead of partnering with one. Becoming a bank would entitle the lender to all the privileges of being a bank regardless of whether the lender's intent is to evade state law. The PLPA would not apply to them. Chicago-based Enova, for example, which makes consumer loans under the names CashNetUSA and NetCredit and small business loans under the name OnDeck Capital, has taken steps to merge with Grasshopper Bank, a national bank based in New York. Enova recently [submitted an application](#) to the Federal Reserve to become a bank holding company. The public has until Feb. 27, 2026, to comment. Enova happens to be a generous donor to Illinois candidates and office-holders, having donated over \$40,000, in aggregate, in state and Chicago races since 2020. See Political Contributions In Illinois, [Illinois Sunshine](#) (last visited Jan. 25, 2026).

17. We acknowledge that bank partnerships exist that are not purely for the purpose of evading state rate caps.

18. Zoom Interview with confidential source (Jan 13, 2026); Written Interview with confidential source (Jan. 16, 2026); "high-cost," for purposes of this report, means higher than 36% APR.

19. Utah Department of Financial Institutions, "[Interest Rates](#)" (accessed Jan. 25, 2026).

20. See National Consumer Law Center "[Issue Brief: Rent-a-Bank Watch List](#)" (Sept. 26, 2024).

## EVASION IS ILLEGAL IN ILLINOIS

Trapping borrowers in a cycle of neverending debt is precisely the kind of behavior that the PLPA was designed to stop. The PLPA has a section titled “No Evasion.” It reads, in relevant part:

### Sec. 15-5-15(b). No evasion.

If a loan exceeds [36% APR], a person or entity is a lender subject to the... Act...if, among other things:

- (1) the person or entity holds, acquires, or maintains, directly or indirectly, the *predominant economic interest* in the loan; or
- (2) the person or entity markets, brokers, arranges, or facilitates the loan...; or
- (3) the *totality of the circumstances*<sup>21</sup> indicate that the person or entity is the lender and the transaction is structured to evade the requirements of this Act (emphasis added).

The PLPA incorporates the “true lender doctrine,” which says that a court will look “through a transaction’s form to its substance to determine if the form is but a mere contrivance to evade usury law.”<sup>22</sup> The PLPA’s No Evasion section was drafted to enable lenders, banks, and those charged with enforcing the law to have clear guidance as to conduct covered by the Act. Even the industry gave the PLPA’s No Evasion a good review: “We would describe [the PLPA] as one of the most sophisticated attacks on bank programs... that we have seen. It is clearly written by sophisticated practitioners that understand bank programs.”<sup>23</sup>

Several years before the PLPA, a federal court in Illinois applied the true lender doctrine in rejecting a company’s argument that the plaintiff-consumers’ claims were preempted because the loans in question were originated by a national bank.<sup>24</sup> The court, using the term “rent-a-charter,” found that the consumers had alleged sufficient

facts that a non-bank entity was the “true lender” when the non-bank entity, “supplied all the loan application documents, reviewed the loan applications, determined which loans to make and on what terms, designated who would administer the loans, designated the servicer that borrowers would send payments to, and directed who the loans would be sold to after origination.”<sup>25</sup>

The first prong of the PLPA’s No Evasion section looks at who has the “predominant economic interest” in the loan. It is not clear by looking at Kesha’s loan documents alone who has the predominant economic interest, but CCBank’s performance evaluations under the Community Reinvestment Act (CRA) are telling. In CCBank’s most recent CRA exam dated January 2023, the examiner notes that CCBank offers consumer loans through “strategic partners.” “After origination, CCB sells the loan back to the strategic partners within two to seven business days.”<sup>26</sup> That’s tantamount to giving the loan a peck on the cheek. Note, too, that CCBank is selling the loan *back* to the strategic partner. CCBank’s CRA exam dated May 2020 provides additional detail: after CCBank sells a loan back to a strategic partner, it retains only “five percent ownership of each loan.”<sup>27</sup> In a presentation to investors in 2021, OppFi showed how they took all of the profits generated by a loan while the bank partner received only a portion of the loan’s servicing costs.<sup>28</sup> If these mechanics are still true today, it is hard to see how OppFi does not acquire the predominant economic interest in the loan.

Additional facts to consider relative to the PLPA’s No Evasion section are (1) the consumer’s loan payments are sent to OppFi, indicating that OppFi “facilitates” the loan, and (2) OppFi holds itself out as the lender in its dealings with the consumer; CCBank’s existence is buried in fine print. Finally, it is likely that OppFi indemnified CCBank for OppFi’s marketing and servicing activities; “there is not a single marketing or servicing agreement

21. The statute specifies the following factors to be considered in the totality of circumstances: whether the nonbank (i) indemnifies, insures, or protects an exempt person or entity for any costs or risks related to the loan; (ii) predominantly designs, controls, or operates the loan program; or (iii) purports to act as an agent, service provider, or in another capacity for an exempt entity while acting directly as a lender in other states. 815 ILCS 123/15-5-15(b)(3).

22. Adam Levitin, *Duke Law Journal*, “[Rent-a-Bank: Bank Partnerships and The Evasion of Usury Laws](#),” Vol 71:329 at 395 (2021); See also National Consumer Law Center, *Consumer Credit Regulation* (4th Edition 2025).

23. Industry Podcast at 11:28.

24. See *Eul v. Transworld Sys.*, 2017 WL 1178537 (N.D. Ill. Mar. 30, 2017).

25. *Id.* at 6.

26. Federal Deposit Insurance Corporation (FDIC), *Community Reinvestment Act Performance Evaluation: Capital Community Bank*, at 2 (Jan. 8, 2023).

27. FDIC, *Community Reinvestment Act Performance Evaluation: Capital Community Bank*, at 2 (May 18, 2020).

28. See [Compl. ¶ 13](#), *Dist. of Columbia v. Opportunity Fin., LLC*, No. 2021 CA 001072 B (D.C. Super. Ct. filed Apr. 5, 2021).

in the country that does not have the marketer or servicer indemnify the principal for legal violations or various types of misconduct that the marketer or servicer may undertake.”<sup>29</sup> Taken together, these facts comprise a compelling “totality of circumstances” indicating that OppFi is the true lender. The only apparent function of CCBank based on the disclosure statement of the loan contract, is to allow OppFi to use its name; even the address on the disclosure statement is OppFi’s.

**IMAGE 4: The top of Kesha’s contract listing the lender as Capital Community Bank with a “care of” address to OppFi (highlight added).**

Promissory Note and Disclosure Statement		
Loan Effective Date: 11/28/2023		Loan #: [REDACTED]
		Customer #: [REDACTED]
<b>LENDER: Capital Community Bank (CCBank)</b>		
ADDRESS: C/O Opportunity Financial, LLC 130 E Randolph St, Suite 3400		CITY: Chicago
STATE: IL	ZIP CODE: 60601	PHONE: (800) 990-9130

## RENT-A-BANK GONE WILD

OppFi is arguably the most notorious rent-a-bank lender in the country. The District of Columbia took steps to stop them in 2021 when it sued and later reached a more than \$2 million settlement with the company for its charging rates up to 198% APR.<sup>30</sup> The settlement required OppFi to refund \$1.5 million to more than 4,000 consumers, waive over \$640,000 in interest owed by those consumers, and pay \$250,000 to the District.

In 2022, however, OppFi sued the State of California to block the state from applying its rate caps to loans made via OppFi’s “partnership” with another Utah bank called Finwise Bank.<sup>31</sup> In response, California filed a

motion for a preliminary injunction to stop OppFi from making its high-cost loans. California’s motion was denied by a California state court in 2023, which found that there was insufficient evidence in the early stage of the litigation that OppFi’s rent-a-bank partner was merely a “dummy.”<sup>32</sup> Litigation is ongoing.

Holding back California’s attempt to enjoin OppFi seems to have emboldened the company and discouraged other states. No state has taken action against OppFi since 2023, but we believe that Illinois is well positioned to take legal or regulatory action against the rent-a-bank lender. Illinois, unlike California, has a statute that adopts the true lender doctrine and expressly sets forth the factors courts should consider to prevent evasions such as the ones being hatched at 130 E. Randolph St. in Chicago, OppFi’s headquarters.

Woodstock has sounded the alarm about OppFi’s conduct several times. One of the authors of this report, Brent Adams, penned an OpEd that was published in *The Chicago Tribune* on March 5, 2024, titled “We must stop predatory ‘rent-a-bank’ lending in Illinois.”<sup>33</sup> Woodstock, then, along with several of our coalition partners, including the United Way of Chicago, the Catholic Conference of Illinois, and Citizen Action/Illinois, issued a press release on October 24, 2024, headlined: “Predatory Lending Strikes Again in Illinois: Notorious Predatory Lender ‘OppFi,’ charging 159.5% APR, Openly Flouting State’s Interest Rate Cap.”<sup>34</sup> Kesha filed complaints with the various offices and agencies empowered to take action under the “No Evasion” section of the PLPA.

OppFi submitted a written response to Kesha’s complaint in which the company says it acts merely as a “technology platform.” (See Appendix A) As evidenced by images 3-5, this is blatantly untrue. OppFi is the face of the loan; it is the one trying to persuade the

29. Industry Podcast at 39:48.

30. See Press Release, Office of the Attorney Gen. for the Dist. of Columbia, “[AG Racine Announces Over \\$2 Million Settlement with Predatory Online Lender Will Compensate Thousands of District Consumers](#)” (Nov. 30, 2021).

31. See *Opportunity Financial v. Hewlett*, No. 22STCV08163 (Cal. Super. Ct. Sept. 30, 2022).

32. See *ABA Banking Journal*, “[California state court rejects DFPI’s motion for preliminary injunction in true lender challenge](#)” (Dec. 4, 2023).

33. Brent Adams, OpEd, *The Chicago Tribune*, “[We must stop predatory ‘rent-a-bank’ lending in Illinois](#)” (Mar. 5, 2024).

34. See Press Release, Woodstock Inst., “[Predatory Lending Strikes Again in Illinois: Notorious Predatory Lender ‘OppFi,’ charging 159.5% APR, Openly Flouting State’s Interest Rate Cap](#)” (Oct. 24, 2024).

consumer to “refinance” their loan, rather than pay it off. Remarkably, while OppFi would have you believe they are a mere “technology platform,” they *still* have an active license to make installment loans in Illinois under the Consumer Installment Loan Act!

**IMAGE 5: A screenshot from the IDFPR website reflecting OppFi’s active license.**



Despite all of the above, IDFPR sent a short response to Kesha’s complaint, which stated in part:

Although we understand this situation may be upsetting for you, based upon our investigation, the Department has decided not to take any action at this time. Therefore, we cannot provide any further assistance on this matter.

When asked to clarify IDFPR’s position on the matter, IDFPR stated that the Department was not making a determination as to whether there had been a legal violation, but rather, it was simply informing Kesha that it would not be mediating the matter between her and OppFi.<sup>35</sup> It is entirely possible, then, that the relevant state government agencies—in this case IDFPR and/or the Office of the Attorney General—are investigating the matter. We hope formal action is taken soon to stop OppFi’s predatory conduct.

There are certainly reasonable grounds for a legal claim under the “No Evasion” section of the PLPA. The Center

for Responsible Lending recently released a report devoted to OppFi’s lending practices.<sup>36</sup> Referring to OppFi’s rent-a-bank partnerships, they note: “there is little doubt that OppFi is the true lender of the loans they are making.”<sup>37</sup> Litigation and/or regulatory action against OppFi could lead to a settlement as it did in the District of Columbia, which could put money back in the pockets of cash-strapped consumers. In the course of litigation, OppFi would be required to produce documents as part of the discovery process, which would enable a trier of fact to consider whether, based on the totality of the circumstances, OppFi is the true lender. Legal and/or regulatory action, we believe, would deter other companies who are evading or plan to evade the PLPA.

## B. Litigation

Other than the pawnbrokers—an entirely separate story—predatory lenders have not yet pursued an affirmative litigation strategy in Illinois.<sup>38</sup> However, by virtue of their consistent use of arbitration clauses and other fine print in their loan contracts, they were able to “strike back” nonetheless.

Predatory internet lending by out-of-state actors presents a unique set of problems for state regulators. Even assuming regulators can determine where the lender is physically located, how are they going to compel the lender to comply with an order by a state regulatory agency? When one of the authors of this report, Brent Adams, was a state regulator, he would encounter internet lenders based in faraway places like the Isle of Man.

Enter Silver Financial Capital (“Silver Financial”), an online, out-of-state lender incorporated in Delaware with its principal place of business in Utah. Strapped for cash and overwhelmed by bills, an Illinois resident named Joseph Morgan turned to Silver Financial for

35. Email from Emiliya Farbstein, Supervisor – Consumer Credit, Illinois Department of Financial and Professional Regulation, to Brent Adams, S. V.P. of Policy and Advocacy, Woodstock Institute (Jan 7, 2026) (on file with recipient).

36. Whitney Barkley-Denny, Andrew Kushner, and Candice Wang., Center for Responsible Lending, *Lost Opportunities: How OppFi Traps Borrowers in Unaffordable Debt* (Jan. 27, 2026).

37. *Id.* at 4.

38. See William Kling, Michael Seng and Brent Adams, Woodstock Inst., *Law School Memories: A Dissent in Illinois Pawnbrokers v. IDFPR* (Dec. 2022); See also Press Release, Woodstock Inst., “Pawnbrokers and Their Lobbyists Win at the Expense of Illinois Consumers” (Jan. 11, 2023); See also Press Release, Woodstock Inst., “After Intense Legislative Battle, Illinois General Assembly Passes Re-Write of State Pawnbroker Law” (Mar. 7, 2023).

a \$1,000 installment loan in April 2022. The APR for Morgan’s loan was 482.6197%, over a dozen times the legal rate cap in Illinois.<sup>39</sup>

Within the fine print of the Silver Financial loan contract was a “binding and mandatory” arbitration clause. Arbitration has gained notoriety in recent years following a case involving a consumer’s death at Disney World, in which Disney attempted to force the family into arbitration (and out of court) based on a clause buried in the Disney+ agreement they had signed four years prior.<sup>40</sup> Consumer advocates call the practice of inserting arbitration clauses into garden-variety consumer contracts “forced arbitration” because such clauses are non-negotiable, take-it-or-leave-it parts of the contract. This legal mechanism—usually buried amidst pages of legal jargon—is typical in loan agreements and other boilerplate consumer contracts for things such as cell phone service, credit cards, and bank accounts. Arbitration clauses require the consumer to waive their right to go to court in case of a dispute with the company and instead forces them to submit to arbitration. Arbitration would be fine if it weren’t so... arbitrary.<sup>41</sup>

In June 2022, Morgan filed a demand for arbitration alleging that his 483% APR loan was “predatory and unlawful.”<sup>42</sup> One year later, in June 2023, the arbitrator ruled in favor of Silver Financial and dismissed Morgan’s case, finding that Morgan—in signing a contract containing “multiple recitations that Utah law applies to the Loan Agreement and any claims related to it”—was not protected by the PLPA.<sup>43</sup> In Utah, as discussed in Section II.A. above, the sky’s the limit as far as interest rates are concerned.

Public policy can trump the terms of contracts such as arbitration clauses and choice of law provisions, but an arbitrator can be given considerable leeway to

determine when this is appropriate. In Morgan’s case, the arbitrator interprets the so-called “public policy exception” extremely narrowly:

Because the arbitrator is required to effectuate the intent of the parties, rather than enforce the statute, he may issue a ruling that is inimical to public policy... In sum, because the forum here is an arbitration, there is simply no public policy period.<sup>44</sup>

There is no question that under Utah law, Morgan loses, so the only issue for a court is whether to uphold the arbitrator’s decision to apply Utah law.

In August 2023, Morgan filed a motion in the Circuit Court of Cook County to vacate the arbitration decision arguing the arbitrator’s decision was contrary to the public policy of the State. In July 2024, the circuit court judge agreed with the arbitrator and stated in his order that the arbitrator’s decision could be vacated only if he “exceeded his powers,” which the judge interpreted to mean that “even if he incorrectly applied the law, his alleged error does not rise to the level of exceeding his powers.”<sup>45</sup> One wonders what sorts of errors would qualify as “exceeding powers” based on this standard.

The Illinois Appellate Court agreed with the circuit court. With respect to the standard by which the arbitrator’s decision would be reviewed, the court was particularly adamant, asserting that Morgan would have to show that the arbitrator’s decision showed a “deliberate disregard for the law.” This is a high bar given that “deliberate” is a form of intent, a mental state. Except in extraordinary circumstances, how is a court to glean *deliberate* disregard from a written decision?

39. *Morgan v. Silver Financial Capital, Inc.*, Order No. 5: Ruling on Respondent’s Motion to Dismiss (Jun. 30, 2023) (Griffin, Arb.) (“*Morgan Arb.*”); Supplemental Brief of Plaintiff, *Morgan v. Silver Financial Capital, Inc.*, 2025 IL App (1st) 241488-U (forthcoming 2026) (manuscript at 3, on file with author).

40. Rachel Reed, *Harvard Law Today*, “Does signing up for Disney+ mean you can never sue The Walt Disney Company?” (Aug. 19, 2024).

41. See *Beatty v. Doctors’ Co.*, 374 Ill. App. 3d 558, 563 (2007) (citing *Galasso v. KNS Cos.*, 364 Ill. App. 3d 124, 130 (2006) (“[A]n arbitration award will not be

overturned or set aside because it is illogical, inconsistent, or contains errors in judgement or a mistake of law or fact.”)

42. *Morgan v. Silver Financial Capital, Inc.*, 2025 IL App (1st) 241488-U.

43. *Id.* at 5.

44. *Morgan Arb.* at 5 (quoting *Mori v. East Side Lenders LLC* (Arb. 2011)); See *Barrentine v. Arkansas-Best Freight Sys.*, 450 U.S. 729 (1981).

45. *Morgan v. Silver* at 5.

Forced arbitration together with choice of law provisions and a judicial system that is required to overlook arbitrators' mistakes of law or fact is a toxic soup that threatens to upend consumer protections in a whole host of areas. Any right governed by a contract could be subverted by this formula. Is it reasonable to expect lenders to comply with the PLPA when they can so easily circumvent it? Experience in this area has shown us that the industry will gravitate toward the least regulated space. When the Payday Loan Reform Act of 2005 was enacted and limited the definition of "payday loan" to loans with terms of 120 days or less, the industry quickly developed payday loans with 121-day terms.<sup>46</sup> With respect to the PLPA, Morgan's lawyer and leading consumer rights attorney Dan Edelman said, "The implication of this decision is that state rate caps are void as long as the lender uses an address in a state without a rate cap, which can be as easy as using a private mailbox."<sup>47</sup>

Morgan attempted to appeal to the Illinois Supreme Court. In support, Woodstock offered an *amicus brief* to the court, urging the court to grant Morgan's appeal of the appellate court's decision.<sup>48</sup> Woodstock argued that the appellate court's decision undermined the PLPA (how could it not?) and, as articulated above, had broader ramifications for the enforceability of consumer protection laws in both Illinois and other states.

Without comment, the Illinois Supreme Court denied Woodstock Institute's request to file an *amicus brief* and Morgan's petition for leave to appeal, but a shimmer of hope emerged by virtue of an IDFPR order dated May 2025. Once again, the PLPA's No Evasion section comes into play. IDFPR notes that it contains language directly applicable to Morgan's contract. The section reads, in relevant part:

No person or entity may engage in *any device*, subterfuge, or pretense to evade the requirements of this Act, including, but not limited to...

making... a loan with a greater rate or interest, consideration, or charge than is permitted by this Act through any method including mail, telephone, *internet*, or any electronic means *regardless of whether the person or entity has a physical location in the State* (emphasis added).<sup>49</sup>

Morgan's contract—specifically its incorporation of Utah law—was a device intended to evade the PLPA. The lender didn't choose Utah for its superior ski slopes. IDFPR also noted, which neither the arbitrator or the courts had mentioned: "Silver does not negotiate contractual loan agreements with consumers such as Mr. Morgan."<sup>50</sup> The arbitrator and reviewing courts put much emphasis on the "intent of the parties." The reality, of course, is that the consumer does not form intent relative to the fine print in "take-it-or-leave-it" boilerplate contracts. The arbitrator, then, is interpreting the intent of the company, not the parties.

Applying Illinois law, IDFPR declared Morgan's contract null and void.<sup>51</sup> With the IDFPR order in hand, Morgan filed a petition for rehearing with the Illinois Supreme Court, and, while his petition was denied in December of last year, the court directed the appellate court to vacate its decision and reconsider the matter in light of IDFPR's order.<sup>52</sup> We now await a new Illinois Appellate Court decision on the matter.

Advocates of good public policy everywhere ought to be concerned about a private arbitration system into which consumers are forced and in which *carte blanche* is given to an arbitrator interpreting the company's intent and giving short shrift to public policy. Woodstock was an active supporter of the rule promulgated by the Consumer Financial Protection Bureau in 2017 that prohibited forced arbitration clauses such as the one that ensnared Morgan. The rule, however, was repealed during the first Trump Administration later that year.

46. 815 ILCS 122/1.

47. Press Release, Woodstock Institute, "[Illinois Appellate Court Upholds Another Evasion of State Interest Rate Cap](#)" (Feb. 5, 2025).

48. [Brief for Woodstock Institute as Amicus Curiae](#), *Morgan v. Silver Financial* (Ill. App. Ct. Mar. 18, 2025).

49. *In the Matter of Silver Financial Capital Inc.*, Case # 25 CC 121 (IDFPR, May 19, 2025).

50. *Id.* at 4.

51. *Id.* at 4.

52. *Morgan v. Silver* (Ill. Oct 31, 2025).

The Senate voted 50-50—with Vice President Pence breaking the tie—to repeal the rule.<sup>53</sup>

While we await the appellate court’s decision, we are researching state-level policies that might help protect consumers like Morgan. Arbitration clauses themselves are immune from state interference by virtue of the Federal Arbitration Act, which preempts state law. Other contractual provisions, however, might be the appropriate subject of legislative action. Indiana, for example, has a statute with respect to consumer loans that invalidates:

- (a) An agreement that the law of another state shall apply.
- (b) An agreement that the buyer, lessee, or debtor consents to the jurisdiction of another state.
- (c) An agreement that fixes venue.<sup>54</sup>

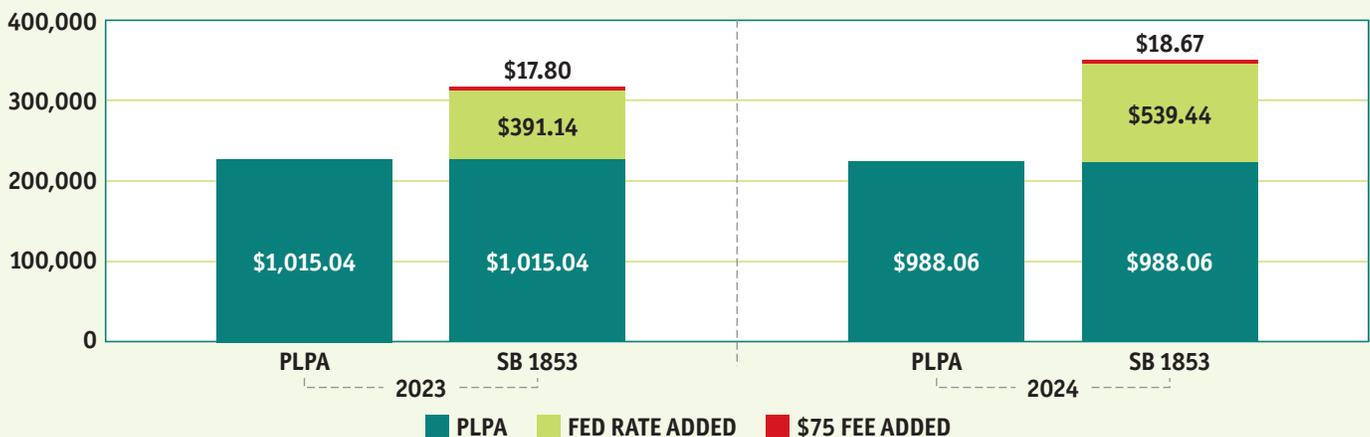
We also intend, when the time is right, to support renewed efforts at the federal level to ban forced arbitration. Any Illinois consumer bound by forced arbitration risks having their rights determined by an arbitrator applying the law of a foreign state or country that is entirely uninterested in protecting Illinois consumers.

## C. Legislation

Legislative attempts to water down the PLPA began before the PLPA was signed into law. Until last year, all PLPA-related bills addressed a particular piece of the law, such as the IDFPD database or the method by which the rate cap was calculated. The first comprehensive legislative attack on the PLPA came in early 2025. SB 1853/HB 3455 would have structurally altered the Illinois regulatory framework and significantly raised interest rates and fees for borrowers. One provision in the bill would have increased the maximum allowable interest rate on loans by allowing lenders to add the Federal Funds Rate to the existing rate cap of 36% under the PLPA. The Federal Funds Rate varied between 4.33% in January 2023, to 5.33% between August 2023 and August 2024, to 4.48% in December 2024.<sup>55</sup> If SB 1853 had become law, it would have increased costs for about 78% of borrowers. The addition of the Federal Funds Rate would have increased the amount borrowers paid in interest by over \$391 million in 2023, an increase of 39%, and by over \$539 million in 2024, an increase of almost 55% (Chart 5).<sup>56</sup>

Another provision of SB 1853 would have allowed lenders to add a \$75 fee to all loans under \$5,000. That provision would have affected 73% of loans and added over \$36 million in fees in 2023 and 2024 combined.

**CHART 5: PLPA VS. SB 1853 – INTEREST AND FEES PAID**



53. See Zachary Warmbrodt, *Politico*, “Pence breaks tie in Senate vote to ax arbitration rule” (Oct. 2017).

54. Indiana Consumer Credit Code, Burns Ind. Code Ann. § 24-4.5-1-201

55. St. Louis Federal Reserve Bank, “Federal Funds Effective Rate” (last accessed Jan. 11, 2026).

56. IDFPD Database.

Adding the increase in the interest rate to the new fee, Illinois consumers would have spent approximately \$967 million more in interest and fees on loans originated in 2023 and 2024, in aggregate.

SB 1853 also would have changed the method by which APR was calculated under the law. The PLPA is fairly unique in that it uses the Military Lending Act's (MLA) "all-in" method of calculating APR. The MLA establishes a nationwide cap of 36% on loans made to active-duty military and their dependents. The MLA's method of calculating APR includes the costs of ancillary products like credit insurance. Ancillary products are especially common in auto sales: GAP insurance, vehicle service contracts, key replacement, etc. From the standpoint of the cost to the consumer, ancillary products can significantly increase the cost of a loan even though, under the federal Truth In Lending Act (TILA), the APR printed on the loan contract remains the same with or without the ancillary products.

Most rate cap laws use TILA to calculate the APR. Because TILA does not reflect the cost of ancillary products like the MLA does, we call this the "TILA Loophole."<sup>57</sup> Using TILA for the rate cap, as provided under SB 1853, would enable a lender to charge an unlimited amount for ancillary products.

Finally, SB 1853 would have eliminated the requirement that lenders report their loans to the IDFPR database, having lenders report to private credit bureaus instead. This change would essentially eliminate the IDFPR database, a vital source of information for consumers and for ensuring regulatory compliance. This report, prior reports, and future reports would be impossible without the IDFPR database, which was established in 2005.

## D ■ The Pawnbroker Carveout

Illinois pawnbrokers successfully won a carveout from the PLPA in 2023, even though the PLPA was written to encompass all forms of high-cost consumer lending.<sup>58</sup> One of our concerns in opposing the carveout was that lenders covered by the PLPA and other unscrupulous actors would exploit the carveout by becoming pawnbrokers, but Illinois saw no meaningful change in the number of pawnshops in the State. The carveout took effect in March 2024. The number of pawnshops at the end of that year was 217.<sup>59</sup> The number of pawnshops as of September 1, 2025, was 197.

Payday lenders charging 297% APR used to top the list in terms of the highest allowable finance charges in the State. The pawnbrokers now top that list *by a lot*. Their typical loan is for one month with a 20% finance charge, which equates to around 240% APR depending on the length of the month. Our research before the legislature passed the Pawnbroker Carveout showed that pawnbrokers routinely charged the maximum allowable finance charge.<sup>60</sup> The data IDFPR has collected and aggregated shows that this trend continues.

The Pawnbroker Carveout made adjustments to what pawnbrokers could charge, but still allowed pawnbrokers to charge 20% per month, or 240% APR, for loans with a principal amount of less than \$500. The vast majority of loans made by pawnbrokers fall within this range.

Unfortunately, apparent errors in the Annual Pawnbroker Activity Report for 2024 make estimating the additional cost of the Pawnbroker Carveout to consumers difficult. For example, the activity report indicates that there were 12,819 pawns for between \$1,500.00 and \$4,999.99, and 218,471 extensions of those pawns, or an average of more than 17 extensions per pawn in a 12-month period. Given that an extension is a minimum of one month, it is impossible to extend a pawn 17 times in a 12-month period.

57. See Consumer Financial Protection Bureau, "[You have rights under the Military Lending Act](#)" (last modified Sep. 8, 2025).

58. Pawnbroker Regulator Act of 2023, 205 ILCS § 511 (2023).

59. See Illinois Department of Financial and Professional Regulation, "[Annual Pawnbroker Activity Report 2024](#)" (Accessed Jan. 25, 2026).

60. Spencer Cowan, Woodstock Inst., "[Pawn Loans and the Wealth Gap in Illinois](#)" (Jan. 2023).

The IDFPD data on the number and average value of original pawns in each value range is probably reasonably accurate. Adjusting the data on extensions in all value ranges to the number of extensions per original pawn for the lowest value level in 2024, 1.78 extensions for each pawn in the \$0.00 to \$499.99 range, produces a low estimate of the added cost of the Pawnbroker Carveout, that is, the additional amount borrowers paid beyond what they would have with the 36% PLPA rate cap (Chart 6). Adjusting the data on extensions in all value ranges to the level of average number of extensions per original pawn in 2023, 2.71 extensions per original pawn, produces a high estimate of the added cost of the Pawnbroker Carveout to borrowers.<sup>61</sup> The adjusted data show that the Pawnbroker Carveout cost borrowers somewhere between \$51 and \$68 million dollars in 2024 (chart 6).<sup>62</sup>

**CHART 6: ADDED COST OF PAWN LOOPHOLE TO BORROWERS**



The stated purpose of the data collection provisions in the Pawnbroker Carveout was to enable the Illinois General Assembly to consider, after three years, whether the Pawnbroker Carveout was in the best interests of consumers. This report reflects only one year of data collected pursuant to the new law, but so far, the data shows some consumers are paying exorbitant amounts of interest for pawn loans while other consumers are paying affordable amounts of interest for other consumer loans. The pawnbrokers, without data, may say, as they did in winning their carveout, that their customers cannot get cash any other way. Even assuming that's true, it does not justify charging them predatory interest rates north of 200% APR.

# CONCLUSION

*The Empire Strikes Back* is followed by *The Return of the Jedi*. The pendulum that swung in favor of the evil Empire eventually swung back in favor of the virtuous Jedi. Politics and public policy have historically adhered to a similar pattern. Our hope is that the legal and policy developments highlighted in this report will inspire an equal and opposite reaction to ensure that the PLPA continues to fulfill its simply stated purpose: “to protect consumers from predatory loans.” We will strive to help policymakers who make this part of their agenda and to continue to encourage the evolution of products in the consumer finance ecosystem that responsibly meet consumers’ need for cash or credit.

61. See Illinois Department of Financial and Professional Regulation, *Annual Pawnbroker Activity Report 2023* (Accessed Jan. 25, 2026).

62. IDFPD Database.

# APPENDIX A



Oppfi.com

November 20, 2025

Illinois Department of Financial and Professional Regulation  
555 West Monroe Street  
5<sup>th</sup> Floor  
Chicago, IL. 60661  
RE: 2025-40  
LAI# xxxx0417

Dear Deborah Jennett,

This is the response of Opportunity Financial, LLC ("OppFi") to the Illinois Department of Financial and Professional Regulation complaint referenced as 2025-40 (the "Complaint") made by Kesha Thompson-Warren on November 17, 2025. In the Complaint, she asserts that the Annual Percentage Rate exceeds the Illinois maximum of 36%.

Please be advised that Capital Community Bank ("CCBank") is a Utah state-chartered bank with the Federal Deposit Insurance Corporation ("FDIC") as its primary federal banking regulator. Consequently, CCBank is governed by both federal banking laws and the laws of the State of Utah. CCBank contracts with OppFi to offer small-dollar installment loans to consumers. In this relationship, CCBank is the lender and OppFi is the technology provider. OppFi is contracted to provide the application platform facilitating loan origination for CCBank, as well as services the loan on behalf of CCBank after origination. Please rest assured that both OppFi and CCBank strictly adhere to changing legislation and comply with all applicable laws and regulations.

At OppFi, we take all complaints seriously as we strive to provide exceptional service at every touchpoint. In response to the Complaint, we have conducted a thorough investigation, and according to our records, Ms. Thompson-Warren received three loans from CCBank, using the Oppfi platform. The most recent loan (the subject of the Complaint) is currently active.

Ms. Thompson-Warren secured her most recent loan on July 30, 2025, in the amount of \$2,500.00, which required a total of forty weekly payments in the amount of \$109.82, with the first payment due on August 7, 2025. The proceeds from this refinanced loan were distributed in two parts with \$2,413.23 being deposited into the bank account she provided on her application and \$86.77 was used to satisfy the previous loan. She has made fourteen successful payments towards the loan and two unsuccessful payments. The loan is currently active with an outstanding balance in the amount of \$2,044.77.

Please be advised that OppFi provides outsourced services to CCBank in order for CCBank to offer small-dollar installment loans to consumers with less than perfect credit history. CCBank markets the loans to potential consumers through OppFi's technology platform, and CCBank then outsources the servicing function to OppFi. To be clear, CCBank contracts with Illinois consumers as the lender. It originates and funds the loans. OppFi does not provide or originate consumer loans in Illinois, nor does it contract with Illinois consumers. Moreover, under Section 27 of the Federal Deposit Act, a state-chartered, federally insured bank, such as CCBank, is authorized to impose finance charges under the governance of the usury laws of the state where the bank is located. 12 U.S.C. § 1831d. This federal statute expressly preempts "any State constitution or statute" that sets forth state usury laws prohibiting an interest rate allowed by the state in which the state-chartered, federally insured bank is located. Moreover, CCBank is expressly exempt from the requirements under Illinois statute § 6.2-1503(1), and CCBank retains the predominant economic interest in the loan. Hence, all loans originated by CCBank and serviced by OppFi in the State of Illinois are allowable by all pertinent statutes.

Additionally, during the application process, it is our goal to show complete transparency into CCBank's lending practices. In line with this commitment, CCBank, through the OppFi platform, provided Ms. Thompson-Warren with detailed information regarding the cost of her loan within the 'Truth in Lending' section found on the first page of the Promissory Note and Disclosure Statement (the "Agreement"), and she was given an opportunity to review this information prior to signing the Agreement. Ms. Thompson-Warren accepted the \$2,500.00 loan on July 30, 2025, and by signing the "Agreement" that includes Federal Truth in Lending Disclosures (inclusive of the APR), she acknowledged that the Agreement correctly reflected the terms of the loan and that she received a complete copy of the Agreement for her records. By signing the Agreement, she acknowledged that she read, understood, and agreed to all the terms of the loan. A copy of the agreement is attached hereto.

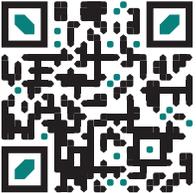
We hope this resolves all concerns, but if you have additional questions, please reach out to OppFi at (855) 408-5000.

### **OppFi Complaints Management**

Opportunity Financial, LLC

Enclosures: Loan Agreement

SCAN THE QR CODE TO  
INVEST IN WOODSTOCK  
INSTITUTE TODAY!



## QUESTIONS?

Please email  
[policy@woodstockinst.org](mailto:policy@woodstockinst.org)

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312-368-0310



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