

Consumer Financial Protection Bureau Settles Lawsuit Against Think Finance Entities

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Washington, D.C. — The Consumer Financial Protection Bureau (Bureau) today announced a proposed settlement with Think Finance, LLC, formerly known as Think Finance, Inc., and six subsidiaries (collectively, the “Think Finance Entities”), to resolve the Bureau’s lawsuit, which the Bureau filed on November 15, 2017. The Bureau alleged that the Think Finance Entities engaged in unfair, deceptive, and abusive acts and practices in violation of the Consumer Financial Protection Act in connection with the illegal collection of loans that were void in whole or in part under state laws governing interest rate caps, the licensing of lenders, or both.

The Bureau’s first amended complaint, filed in the U.S. District Court for the District of Montana in 2018, alleged that the Think Finance Entities operated as a common enterprise that affiliated with tribal lenders in the offering and collection of online installment loans and online lines of credit to consumers nationwide. The Think Finance Entities, the Bureau alleged, made deceptive demands and illegally took money from consumers’ bank accounts for debts that consumers did not actually owe because the loans were either partially or completely void under the law of 17 states. The Bureau also alleged that the Think Finance Entities provided substantial assistance to two debt collection companies that were also engaged in the illegal collection of loans.

If entered by the court, the proposed stipulated final consent order, among other things, would prohibit the Think Finance Entities from offering or collecting on loans to consumers in any of the 17 states if the loan violates state lending laws and assisting others in engaging in that conduct. The proposed order would also impose a \$1 civil money penalty for each of the seven Think Finance Entities.

The Bureau’s proposed consent order is a component of the global resolution of the Think Finance Entities’ bankruptcy proceeding in the Bankruptcy Court for the Northern District of Texas, which includes settlements with the Pennsylvania Attorney General’s Office and private litigants in a nationwide consumer class action. Consumer redress will be disbursed from a fund created as part of the global resolution, which is anticipated to have over \$39 million for distribution to consumers and may increase over time as a result of ongoing, related litigation and settlements.

For more information on the redress process, please visit www.thinkfinancesettlement.com.

The proposed stipulated final consent order against the Think Finance Entities is available at: https://files.consumerfinance.gov/f/documents/cfpb_think-finance_stipulated-final-consent-order_2020-02.pdf

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The Consumer Financial Protection Bureau is a 21st century agency that helps consumer finance markets work by regularly identifying and addressing outdated, unnecessary, or unduly burdensome regulations, by making rules more effective, by consistently enforcing federal consumer financial law, and by empowering consumers to take more control over their economic lives. For more information, visit consumerfinance.gov.