

AG Shapiro Announces Relief for 80,000 Pennsylvanians Targeted by Online Payday Loan Scheme

July 24, 2019 | Topic: [Consumers](#)

Comprehensive settlement reached with Think Finance, Inc. over \$133 million payday loan scheme charging 448% interest rates

HARRISBURG —Attorney General Josh Shapiro today announced a [settlement](#) with Think Finance, a national online payday lender, and an associated private equity firm for allegedly engineering a \$133 million illegal online payday loan scheme that targeted as many as 80,000 Pennsylvania consumers. The settlement will void all remaining balances on the illegal loans. Pennsylvania is one of the leading creditors that negotiated this comprehensive settlement with Think Finance as part of its bankruptcy plan, which is pending approval before the Bankruptcy Court and subsequent approval by the U.S. Eastern District Court of Pennsylvania.

In late 2014, the Pennsylvania Office of Attorney General sued Think Finance, Inc. and Chicago-based private equity firm Victory Park Capital Advisors, LLC, and various affiliated entities. The suit alleged that between 2011-2014, three websites operated by Think Finance—Plain Green Loans, Great Plains Lending and Mobiloans—allowed borrowers to sign up for loans and lines of credit while charging effective interest rates as high as 448 percent. Payday loans, which typically charge interest rates higher than 200 or 300 percent, are illegal in Pennsylvania.

The suit also alleged that the websites attempted to shield themselves from state and federal laws by operating under the guise of Native American tribes and the First Bank of Delaware, a federally chartered bank, with a loan product called “ThinkCash.” Attorney General Shapiro alleged that these actions were in violation of several Pennsylvania laws, including the Pennsylvania Unfair Trade Practices and Consumer Protection Law, the Pennsylvania Corrupt Organizations Act, the Pennsylvania Fair Credit Extension Uniformity Act, and the federal Consumer Financial Protection Act of 2010. Victory Park Capital was sued under the Corrupt Organizations Act only. None of the defendants admitted liability or wrongdoing.

“This is a model of how aggressive enforcement by one state can lend itself to nationwide relief for consumers,” said Attorney General Josh Shapiro. “The settlement will provide relief to approximately 80,000 Pennsylvanians who fell victim to the \$133 million payday loan scheme engineered by Think Finance and its affiliates, as well as to consumers across the country who were also affected. Our Bureau of Consumer Protection will hold accountable anyone who tries to exploit Pennsylvania consumers by charging illegal interest rates.”

In addition to voiding all remaining balances on the illegal loans, the settlement will enable borrowers who repaid more than the loan principal and the lawful interest rate of 6 percent to share proportionately in a multi-million-dollar fund created by the settlement. Consumers will receive a check in the mail and will not have to do anything to claim their refunds. The defendants will also request that the credit bureaus delete any credit reporting on the loans.

Consumers will receive notices if they are eligible for relief. Affected consumers can obtain more information about the settlement, including whether they qualify for relief, by visiting www.PAThinkFinanceSettlement.com or by calling 1-877-641-8838. Under the terms of the settlement, restitution checks will be mailed to consumers at the addresses on their loan agreements. Any borrowers who have moved since taking out these loans should notify the settlement administrator of their new address at the above telephone number.

The Pennsylvania lawsuit spurred private litigation in other states and has precipitated the national settlement. The Consumer Financial Protection Bureau also sued Think Finance and has been a strong partner to the Attorney General. Attorney General Shapiro will continue his litigation against Think Finance’s former CEO, Kenneth Rees, and its debt collection firm, National Credit Adjusters. A trial involving these defendants could take place as soon as next year.

Anyone who believes they have been a victim of a predatory loan or related debt collection practices can submit a complaint at attorneygeneral.gov/submit-a-complaint/ or contact the Bureau of Consumer Protection by calling 1-800-441-2555 or emailing scams@attorneygeneral.gov.

###

