



OLA WEEKLY UPDATE  
March 20 ,2017



### Presidential Message

#### Stop Playing Politics with Banking Services! Stop Operation Choke Point Forever!

Now is the time to stand up and be counted. Please take a minute and either call your Congressman or send a letter asking him to co-sponsor Congressman Luetkemeyer's bill to stop Operation Choke Point. Tell them that we must permanently put an end to playing politics with banking services.

We have the best chance ever to enact legislation! Please be a part of our efforts!

Thanks,

A handwritten signature in blue ink that reads "Lisa".



### OLA Happenings

#### OLA KC Roundtable - THIS WEEK

Join OLA this March 24 from 12-2 PM CT for a KC Roundtable. In addition to our bring your own agenda-style discussion, we will be joined by Rep. Ann Wagner (R-MO). The event will be held at Bart Miller's office.

RSVP to Amira Peace - [apeace@oladc.org](mailto:apeace@oladc.org) - to secure your spot.

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#### **Webinar: Advertising and Marketing Compliance & Best Practices Review Monday, March 27 at 3 PM ET**

During this webinar, we will be conducting our yearly compliance discussion and review of OLA Best Practices, including prohibited terms and regulator updates.

We encourage any of your employees involved in compliance and marketing/advertising initiatives as well as any affiliates/publishers involved in lead generation and provider activities, to attend.

- **Registration:** [Register here to attend](#)
- **Event number:** 669 520 249
- **Event password:** OLA2017
- **Audio conference:** US Toll [+1-415-655-0002](#)
- **Access Code:** 669 520 249

### Spring Summit: Registration Reminder for Early Bird Rates

Early bird rates end on April 14, 2017 -- less than one month away. OLA Members receive a special member rate when using password OLA2017 when prompted.

Stay tuned for more details on agenda and speaker updates!

**REGISTER NOW**

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### OLA Service Partner Directory: Get your company on the "it" list!

OLA will publish its Service Partner Directory this year and all OLA members will receive a copy at the Spring Summit on May 1-3. If you want to be recognized as an industry leader and as a trusted partner in online lending, make sure you get in this directory!

Contact Liz Jones [ljones@oladc.org](mailto:ljones@oladc.org) about advertising and enhanced listings.

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### March All Member Call

Mark you calendar! Our next All Member Call will be held on Monday, March 27 at 5:00 pm ET. Registration details are below:

- **Registration:** [Register here.](#)
- **Event number:** 661 705 471
- **Event password:** OLA2017
- **Audio conference:** US Toll [+1-415-655-0002](#)
- **Access Code:** 661 705 471

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### Follow up to the "The Power of Your Brand and How to Protect it Online" Webinar

Thank you to those that joined us last week for the webinar presented by IntegriShield. If you'd like to receive a copy of the presentation, please reach out to Matt Kaitz at [mkaitz@oladc.org](mailto:mkaitz@oladc.org).



### OLA News

#### OLA New Members

We are proud to welcome the following new members to the OLA family!

**FSST Financial Services, LLC: Anthony Reider, Manager**

[legal@fsstservices.com](mailto:legal@fsstservices.com)

\* FSST Financial Services, LLC is a tribal lending entity wholly owned by the Flandreau Santee Sioux Tribe, a federally recognized Indian tribe that operates and makes loans within the Tribe's reservation.

**Sierra Financial, LLC: Huggy Price, Manager**

[legal@sierralending.com](mailto:legal@sierralending.com)

\* Sierra Financial, LLC is a tribal lending entity wholly owned by the Flandreau Santee Sioux Tribe, a federally recognized Indian tribe that operates and makes loans within the Tribe's reservation.

**White Knight Financial, LLC: Thomas Lettero, CEO**

[tlettero@wklending.com](mailto:tlettero@wklending.com)

\* WK Lending is an online lender for consumer loans. We offer one product and one product only, installment loans. White Knight Financial, LLC dba [WKLending.com](http://WKLending.com) was founded on the principals of superior customer service and technology. Our management team has over 20 years experience in the installment loan industry. Our unique underwriting system can approve loan applications in minutes simplifying the loan process for the consumer. With a streamlined approval process and experienced loan processors we can focus our full attention and resources to leading the industry as the best online installment loan lender.

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### **Spotlight: Advertising & Marketing Committee**

The mission of the Advertising & Marketing Committee is to act as a liaison to lead generator members and oversee the formulation of Best Practices for advertising and marketing. The Committee also helps the industry protect customer data through two focus areas -- Data Theft & Data Usage.

Member companies involved in advertising and marketing should be part of this committee.

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### **February OLA Hotline Report**

While overall calls to the hotline have decreased, we have noticed that consumers who contact the hotline are more likely to have been subject to some form of fraud. This makes the OLA Hotline an extremely important tool in protecting consumers from fraud.

Below are highlights for this past month:

- **Total Calls Received:** The total number of calls to the hotline continued to decrease for the third straight month, falling 17 percent from January 2017 and 10 percent from February 2016.
- **Incidents of Fraud:** Overall fraud reports have decreased by 20 percent since January, as last month saw an uptick in fraud-related calls. Incidents still remain 40 percent above February 2016 rates.
- **Complaints:** Consumer loan complaints saw a 42 percent increase compared to January 2017, and a 400 percent increase compared to February of last year.

### **OLA Federal Update**

#### **Operation Choke Point - Update**

The FIRREA language in the Operation Choke Point section of the CHOICE Act has been removed. With it gone, the focus of the OLA Federal Lobbying Team will be the Democratic Members in the House and Senate.

Over the past few weeks, the Federal Team has been working extensively with Members in both the House and Senate on a path forward to help ongoing and future efforts to end Operation Choke Point. We've focused our efforts on the Democratic members in the Senate to see how much

support the language might gather in the chamber. In the House, we've reached out to several Democratic offices and are working on securing cosponsors.

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### **Hearing: "The Bureau of Consumer Financial Protection's Unconstitutional Design"**

On Tuesday, March 21st at 10:00am ET, the House Financial Services Subcommittee on Oversight & Investigations will hold a hearing entitled "The Bureau of Consumer Financial Protection's Unconstitutional Design." The hearing will examine whether the structure of the CFPB violates the Constitution as well as structural changes to the Bureau to resolve any constitutional infirmities.

## **OLA Regulatory Update**

### **OCC Guidance Document on National Charters**

As a follow up to the white paper they produced in December, the OCC recently [released](#) a [draft licensing manual](#) for fintech companies seeking the agency's new limited-purpose national bank charters. The draft manual is a supplement to the agency's existing [Licensing Manual](#) and existing regulations and policies that govern the agency's review and decision making with respect to chartering national banks. Comments on the draft manual are due by [April 14](#).

The draft manual explains in detail how applicants can seek a charter and how the OCC will review applications and examine newly chartered fintech firms - including OCC expectations with respect to business plans and prior experience of the members of the Fintech firm's "organizing group." The manual makes clear that the special-purpose charters will be subject to all applicable banking laws and regulations, including financial inclusion requirements.

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### **CFPB Seeking Comment on Plan for Assessing the Remittance Rule**

The CFPB is conducting an [assessment](#) of the Bureau's regulations related to consumer remittance transfers under the Electronic Fund Transfer Act in accordance with section 1022(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The Bureau is requesting public comment on its plans for assessing these regulations as well as certain recommendations and information that may be useful in conducting the planned assessment.

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### **Judge dismisses CFPB case against payment processor, Intercept Corporation**

The [CFPB sued](#) payment processor Intercept Corporation and its two principals, in June 2016, alleging that Intercept engaged in unfair and abusive practices under the Dodd Frank Act by processing payments for online lender AMG Services.

On Friday, the US District Court for the District of North Dakota dismissed the CFPB's complaint against Intercept for failure to state a claim, holding that the agency did not allege sufficient facts to support a finding that Intercept engaged in unfair practices (i.e., insufficient allegations of consumer harm and no allegation that potential injury was not outweighed by benefits to the consumers at issue) or abusive practices (i.e., insufficient allegations that Intercept took unlawful advantage of consumers). The court explained further that the CFPB's complaint does not identify how Intercept's failure to act upon "red flags," such as the FTC's lawsuit against AMG, caused harm or was likely to cause harm to consumers.

The court's dismissal is without prejudice, meaning that the CFPB could refile the case with additional allegations supporting its claim that Intercept engaged in unfair and abusive conduct.

## **OLA State Update**

### **New Mexico**

HB 347 was voted out of the Senate [on Friday](#) and concurred to by the House. This bill will now be sent to Gov. Martinez for action. The Governor has until [April 7th](#) to sign the legislation or else the bill will fail to become law. HB 347 was an industry sponsored bill reforming small dollar lending in

New Mexico. Highlights of the legislation include:

- \* Limit is \$5,000 or less, up from \$2,500
- \* Max rate 175% APR
- \* Minimum term no less than 120 days
- \* Early prepayment is allowed
- \* Lenders must report loans to a consumer reporting agency
- \* Preempts Local Governments from regulating loans
- \* Annual license fee paid into new financial literacy fund
- \* Effective January 1, 2018

We will send a formal review of the final version shortly. It was a very active session in New Mexico with several pieces of legislation progressing into the final day including the consumer groups 36% rate cap legislation.

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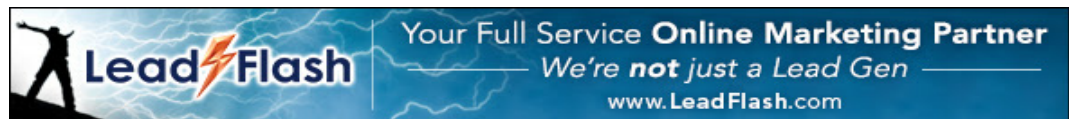
### Maryland

This afternoon there was a "working group" session for interested parties to discuss and work on the various legislation centered around line of credit. We continue to be very active in Maryland and will continue to protect short-term credit in the state. This working group is with members of the Senate committee. We anticipate the House to be antagonistic to any product above 33% APR.

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### Arizona

There will be a committee hearing this week on legislation that we have brought forward to bring line of credit back to Arizona. Our team has worked this bill for months to position in the legislature with Republicans and Democrats after many years of wrangling and failed attempts. The bill will be heard as a "striker" or amendment, but has been distributed for review. We have attempted to work with consumer groups, as well as our industry colleagues.



## Industry News & Events

### Upcoming Industry Events



OCTOBER 11-13, 2017  
FAIRMONT DALLAS · DALLAS, TX

[WWW.LEND360.ORG](http://WWW.LEND360.ORG)

### 2017 LEND360 - Call for Speakers!

LEND360 is currently searching for dynamic content ideas that are having the biggest impact on the online lending industry.

As leaders in the online lending industry, we hope you will consider this opportunity to speak at LEND360.

If interested, please visit <http://www.lend360.org/become-a-speaker/> and submit your speaking proposal. Please contact Matt Kaitz at [mkaitz@LEND360.org](mailto:mkaitz@LEND360.org) with any questions or comments.

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### Financial Literacy Month

Reminder that April is Financial Literacy Month! If you see any great, creative ideas, please share with the OLA family.

Online Lenders Alliance | [contact@oladc.org](mailto:contact@oladc.org) | <http://www.oladc.org>  
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