

Attorney General Raoul Announces Settlement With Companies Over Predatory Payday Loans

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CHICAGO – Attorney General Kwame Raoul and Illinois Department of Financial and Professional Regulation (IDFPR) Acting Secretary Mario Treto Jr. today announced a settlement with online payday lending lead generators MoneyMutual LLC; PartnerWeekly LLC and Selling Source LLC.

The settlement resolves the Attorney General's and IDFPR's allegations that the companies violated Illinois' lending laws by generating payday loan leads without being licensed, and arranging high-cost payday loans for out-of-state payday lenders, many of which were also unlicensed. Raoul and IDFPR alleged the companies violated Illinois' Consumer Fraud and Deceptive Business Practices Act by falsely representing their loan network as being trustworthy; however, loan terms and conditions did not comply with Illinois law. The settlement filed in Cook County Circuit Court requires the companies to immediately stop offering loans to Illinois borrowers without being licensed.

"Payday loan lenders disproportionately target low-income communities and communities of color, and they make it extremely difficult, if not impossible, for people to escape the cycle of poverty," Raoul said. "I am committed to protecting Illinois residents from payday lenders that operate illegally and trap people into expensive loans with unaffordable interest rates."

The Attorney General's office filed lawsuits against the companies in 2014 after the companies refused to comply with a cease and desist order issued by IDFPR requiring them to become licensed.

"The Department takes pride in protecting Illinois consumers from unlicensed lenders who target them and their hard-earned income," said Mario Treto, Jr., Acting Secretary of the Illinois Department of Financial and Professional Regulation. "We take this responsibility seriously and will continue to fulfill our mission as opportunities present themselves in the future."

According to the lawsuit, MoneyMutual was able to attract borrowers to its website in large part by using advertising that featured former television host and celebrity spokesman Montel Williams. The companies allegedly generated customer leads by collecting personal financial information from tens of thousands of Illinois consumers who sought loans on MoneyMutual's website. The companies sold that personal financial information to payday lenders who used it to offer loans to potential borrowers.

The Attorney General's office also alleged the companies' misleading advertising deceived borrowers into believing the lenders in the companies' network were licensed and complying with the law. However, many of the lenders were not licensed or authorized to lend to Illinois consumers and imposed exorbitant and unlawful interest rates and finance charges.

The settlement prohibits all three companies from continuing the following practices:

- Arranging or offering small-dollar loans, online or otherwise, without being licensed by IDFPR.
- Advertising or offering any small consumer loan arrangements or lead generation services in the state of Illinois, unless they are licensed by IDFPR.
- Providing services related to arranging or offering small-dollar loans to Illinois consumers without being licensed by IDFPR.

Senior Assistant Attorney General Tom James handled the lawsuit for Raoul's Consumer Fraud Bureau.