Upsold and Weighed Down:

An Analysis of a Subset of Supervised Installment Lending in Colorado

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About the Center for Responsible Lending

The Center for Responsible Lending (CRL) is a non-partisan, nonprofit research and policy advocacy organization working to promote financial fairness and economic opportunity for all, end predatory lending, and close the racial wealth gap. CRL's expertise gives it trusted insight to evaluate the impact of financial products and policies on the wealth and economic stability of Asian, Black, Latino, rural, military, low-wage, low-wealth, and early-career workers and communities. CRL is an affiliate of Self-Help, one of the nation's largest nonprofit community development financial institutions. Our work leverages the strength of partnerships with national and local consumer and civil rights organizations.

Acknowledgments

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Executive Summary

Previous research by the Center for Responsible Lending (CRL) has revealed the harms associated with high-cost installment loans, which are often marketed to subprime borrowers and have annual percentage rates of interest (APRs) in excess of 36%. This paper explores a different segment of the installment loan market: loans made by consumer finance companies with rates at or below 36% APR that have larger, longer terms and are often packed with fees for low-value, high-cost add-on products. The costs of these products are not included in the loans' APRs.

Some of the largest lenders in this segment of the market have lobbied state legislatures to weaken state consumer financial protection laws that govern maximum allowable interest rates, thereby permitting lenders to make higher-cost loans than the law currently allows. This lobbying has occurred in Arizona, Colorado, Florida, Maine, Nebraska, North Carolina, and Pennsylvania. These lenders claim to benefit consumers by offering affordable, responsible credit, yet little is known about the lending practices occurring in this market.

Using a sample of 67 collections cases filed in Denver County Court, this research examines loan terms and agreements that consumer finance company lenders use to better understand the practices associated with installment loans with APRs below 36%. This paper focuses on Colorado, one of the states in which consumer finance company lenders have lobbied the legislature to increase the legal limits on maximum interest rates permitted on consumer loans.[1] The Consumer Credit Unit within the Office of the Colorado Attorney General licenses and supervises these lenders. Colorado law therefore refers to these lenders as "supervised lenders," and their products are termed "supervised loans." This study examines a subset of supervised loans that are over $1,000 and are not secured by real estate.

This brief addresses important questions about supervised loans in Colorado:

1. **What are the characteristics of supervised loans that consumer finance companies offer under Colorado law?**

   The loans are for thousands of dollars, repayable over multi-year terms, at APRs that yield large total finance charges. APRs range from 20% to 31%, and loan amounts typically range from $4,000 to $8,000 with terms of two to five years. The combination of these APRs and multi-year term lengths results in costly finance charges. Additionally, the loans are frequently secured by the borrower's car or other personal property.

2. **How common are add-on products, and what impact do they have on debt loads?**

   The regular sale of add-on products leads to higher debt loads. Lenders often bolster revenues by encouraging borrowers to purchase credit insurance—credit life, disability, or involuntary unemployment insurance—which pays the lender (not the borrower) in the event of a covered loss. These policies are typically of low value to the borrower but generate significant revenue for the lender, because they are sold by insurance companies affiliated with the lender and/or because the lender retains a portion of the insurance premium. The lenders also sell other products, such as automobile club memberships. The insurance policies and other products are paid for out of the loan proceeds. Borrowers take on extra debt to cover the cost of these purchases. This increases both the size of the loan and the interest payments made to the lender. Taking the costs of these products into account, the total cost of the loans is higher than it appears based on the stated finance charges and APRs alone.

3. **How do these loans impact borrower debt burdens?**

   Renewals are common and companies may use them to extend the period of indebtedness or sell more insurance. Many of the loans in the sample renew existing loans with the same lender. In some cases, the new loan provides little new credit beyond the cost of more insurance and other add-on products. This raises the possibility that such loan renewals may also be used to delay delinquency and default, to sell additional insurance and other add-ons, or to extend the period of indebtedness for borrowers who could repay their loans within their original terms.

These findings underscore the importance of state regulators examining licensees to prevent lenders from deceptively pushing borrowers deeper into debt by pressuring them to purchase add-on products or by using loan renewals to extend periods of indebtedness or facilitate additional product sales. These findings also reveal the high cost of the loans at current rates and demonstrate the importance of preventing state laws from weakening consumer protections by allowing even higher-cost loans. Instead, state laws should be strengthened to include the cost of add-on products when determining finance charge limits.

The Financial State of Consumers

Ten percent of households making less than $30,000 are financially healthy, in comparison to 54% of households that are making $100,000 or more.

Over the last four decades, the financial balance sheets of Americans have suffered. Hourly wages have stagnated, and the costs of housing, higher education, child care, and health care have soared. In the fifth annual Financial Health Pulse report authored by the Financial Health Network (FHN), the percent of people noted as "Financially Healthy" decreased from 34% in 2021 to 31% in 2022. This is the first ever year-to-year decrease in the measure.[2] Consequently, growing numbers of American households find themselves struggling to meet their basic needs. This is acutely felt for households that are lower-income. FHN found 10% of households making less than $30,000 are financially healthy, in comparison to 54% of households that are making $100,000 or more.[3]

Financial unease and distress have created opportunities for credit products to be introduced as a purported solution to shortfalls in income or savings. For some American families, high-cost lenders also offer products to fill these gaps. These products often come with high interest rates, additional fees and add-on products that result in large finance charges, and other costs. Recently, CRL published research shedding light on the potential harms of installment loans with costs exceeding an APR of 36%. The authors found that 85% of borrowers surveyed reported that making payments on one or more of their high-cost loans contributed to or caused an experience which negatively impacted their overall finances.[4]

Larger, longer-term loans with APRs of up to 36% can also saddle borrowers with considerable, high-cost debt burdens. This occurs when the APRs are applied to loans of thousands of dollars that are repayable over several years.

High-Cost Borrowing and Consumer Protection Laws in Colorado

To protect consumers from high-cost lending, most states have passed rate caps limiting the APR on financial products such as installment loans.[5] Colorado is one state with a rate cap, and interest rate limits are set out in the Consumer Credit Code (the "Code").[6] Licensed lenders who comply with Colorado's Code requirements are, however, permitted to utilize finance charges at rates well above the state's general usury limit of 12% on consumer loans. These lenders are referred to in the Code as "supervised lenders," and they are subject to supervision by the Consumer Credit Unit within the Colorado Attorney General's Office. This office previously published annual reports containing broad summaries of aggregated data regarding these lenders' activities, but limited details. Inconsistencies in the lenders' data reporting led the Attorney General's Office to stop publishing the annual reports after 2015.[7] Since that time, little information has been made publicly available about these lenders' practices in Colorado.

This report sheds light on the lending terms and practices of the supervised lenders making consumer loans to Colorado residents. While the paper is focused on supervised lenders operating in Colorado, it reflects lending practices that are not limited to these specific lenders or to this specific state.

Methodology

To obtain a snapshot of how the Code and supervised lenders operate in Colorado, CRL examined a sample of loan agreements, industry reports, and the company websites for two large, supervised lenders licensed and making non-mortgage consumer loans in Colorado under the Code. These lenders are OneMain Financial ("OneMain")[8] and Lendmark Financial Services ("Lendmark").[9] CRL obtained copies of loan agreements from these two companies by reviewing lawsuits filed in 2019 and 2021 in Denver County Court. In the lawsuits analyzed, OneMain or Lendmark was named as the plaintiff (as reflected in the court's electronic filing system) seeking to collect on a defaulted loan agreement. Personal information in the sample loan documents has been redacted to maintain anonymity, and a pseudonym has been assigned to each borrower.

To account for potential disruptions due to the COVID-19 crisis, CRL chose the years 2019 and 2021; these are the most recent year prior to and the most recent full year after the onset of the pandemic. In each of the 67 cases, the loan agreement was attached to the complaint the lender filed in court. Sample copies of loan agreements from both lenders can be viewed in Appendix D.

CRL also reviewed the information available from the identified lenders' websites to confirm that the terms and practices reflected in the loan agreements broadly reflect the practices common to these lenders. Lender filings with the Securities and Exchange Commission (SEC) and presentations to investors were also reviewed, when available.

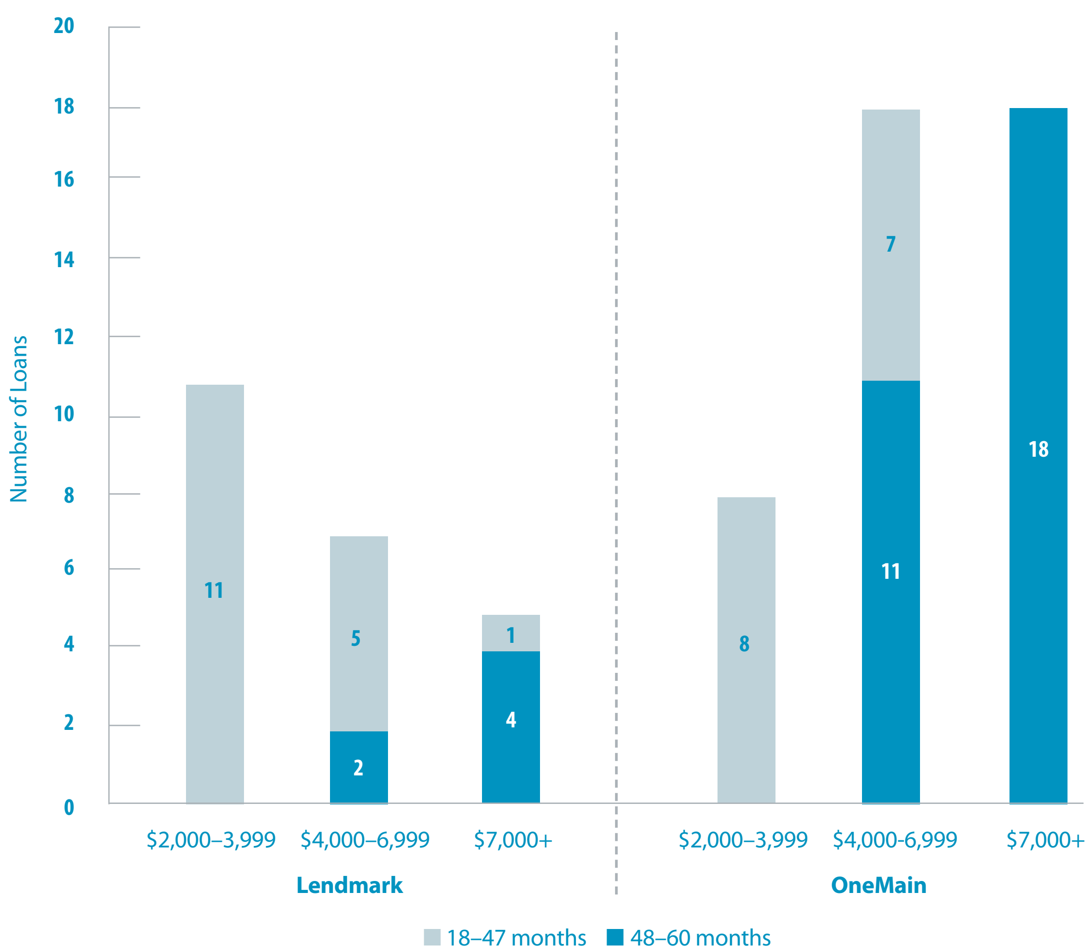
Potential limitations of this research include the possible variability of case filings and data across counties in Colorado and the loan agreements in the sample are in default. However, as Denver County is the largest county by population in Colorado, we anticipate this geography would capture a reasonable share of the court filings within the state. In addition, there is no reason to believe the loan agreements attached to court cases in Denver County would differ materially from loan agreements entered into with residents of other Colorado counties. The court filings provide the only current means of obtaining a reasonable sample of loan agreements, and hence are the only means for investigating the lending practices that the agreements reflect. Neither of these limitations compromises the findings of this research.

Overview of Colorado Supervised Loans

Supervised loans in Colorado are marketed to consumers for personal or household use, such as home or automobile repairs, the purchase of an automobile or other personal property, funding a vacation, or consolidating other debts. The loans are repayable in monthly installments over a period of between two and five years (24–60 months). Regularly, they are secured by collateral, which can consist of vehicles or of household items such as televisions, furniture, or computers.

The loans in the sample range in size from approximately $2,000 to $15,600, with the majority of loans being at least $5,000. Term lengths ranged from 18–60 months. Only 11 loans (16%) were for fewer than three years and over half were for four or more years. The borrowed amount and loan terms have a strong positive correlation, meaning larger loans are associated with longer terms.[10]

Figure 1. Original Term Length and Initial Loan Amount by Lender



Source: Denver County Court records as acquired by CRL. Chart rendered by CRL.

Nearly half of the loans in the sample were secured by collateral. This includes 17 of the 23 Lendmark loans and 14 of the 44 OneMain loans. The OneMain loans were secured by vehicles only. Nationally, more than half of OneMain outstanding loans are secured by vehicles or other titled property.[11] The Lendmark loans in the sample were roughly split between vehicles and either "consumer goods" or "household items," as noted in the respective court filings. Consumer goods and household items may have limited resale value but can have great personal value to the borrower. Having a loan secured by either a car or other important collateral can motivate a borrower to prioritize the repayment of the loan above the payment of other debts or expenses.

Nearly half of the loans in the sample were secured by collateral.

Loan Document Features

The loan terms are outlined in standard form loan documents. The first page of typical loan document is shown in Figure 2 and in Appendix A. This page is typically followed by one or more pages of pre-printed contract text. Examples of full loan documents can be found in Appendix D.

Figure 2. OneMain Sample Loan Document Features

EFILED Document: Denver
Filing Date: 7/23/2019 1:53:05 PM
Filing ID: [redacted]

OneMain. Lending Made Personal

LOAN AGREEMENT AND DISCLOSURE STATEMENT

DATE 04/07/17	ACCOUNT NUMBER [redacted]	TYPE OF LOAN (Alpha) F00	DATE FINANCE CHARGE BEGINS TO ACCRUE 04/07/17

LENDER/SECURED PARTY NAME AND ADDRESS ("Lender")	BORROWER(S) NAME AND ADDRESS ("I","We")
ONEMAIN FINANCIAL GROUP, LLC 4621 PEORIA ST DENVER, CO 80239-4897 303-373-0952	[redacted]

I have carefully read this entire Loan Agreement And Disclosure Statement and all related documents which include the Insurance Disclosure Summary, Truth In Lending Insurance Disclosures and Personal Property Appraisal Form (provided separately if applicable), all of which collectively constitute the "Agreement." This Loan Agreement and Disclosure Statement is divided into four sections: **A. Truth In Lending Disclosures; B. Loan Terms And Conditions; C. Arbitration Agreement And Waiver Of Jury Trial and D. Entire Agreement/Notices/Signature.** If I had any questions, I asked them before I signed these documents. By signing, I indicate my agreement to the statements, promises, terms, and conditions contained in the Agreement.

A. TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost me.	AMOUNT FINANCED The amount of credit provided to me or on my behalf.	TOTAL OF PAYMENTS The amount I will have paid after I have made all payments as scheduled.
25.16%	$ 2087.34	$ 4445.91	$ 6533.25

My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
1	$ 204.77	05/19/17
37	$ 171.04	monthly beginning 06/19/17

LATE CHARGE: ☐ If any payment is not paid in full within ____ days after its due date, I will be charged _______% of the _______ amount of the payment, but not more than $_______ or less than $_______.

☒ If any payment is not paid in full within 10 days after its due date, I will be charged $ 15.00 if the entire scheduled payment exceeds $ 0 or $N/A if the entire scheduled payment is $ 0 or less.

PREPAYMENT: If I pay off early: ☐ I may ☒ I will not have to pay a penalty for prepaying all or part of a loan's principal balance.
☐ I may ☒ I will not get a refund or credit of part of the finance charge for a prepayment in full. I will not receive a refund or credit for a partial prepayment.

SECURITY: I am giving Lender a security interest in: ☐ Unsecured ☒ Motor Vehicles ☐ Other Collateral

Year	Make	Model	Vehicle Identification No.
2001	CHEVROLET	TAHOE-V8	[redacted]

☐ Household items described on the Personal Property Appraisal Form, which I have signed and which has been delivered to me with this Agreement.

See the remainder of this Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.

ITEMIZATION OF AMOUNT FINANCED

Amounts paid to others on my behalf

1.	$ 90.55	Single Life Premium	Paid To LIFE INSURANCE COMPANY *
2.	$ 168.98	Single Disability Premium	Paid To DISABILITY INSURANCE COMPANY *
3.	$ 174.18	IUI Premium	Paid To INVOLUNTARY UNEMPLOYMENT INS. CO. *
4.	$ 12.20	MV Certificate of Title Fee	Paid To GOVERNMENT AGENCY
5.	$NONE		Paid To
6.	$NONE		Paid To
7.	$NONE		Paid To
8.	$NONE		Paid To
9.	$NONE		Paid To
10.	$NONE		Paid To
11.	$	Paid To	
12.	$	Paid To	* Lender may retain a portion of these amounts.
13.	$	Paid To	
14.	$	Paid To	
15.	$	Paid To	
16.	$	Paid To	
17.	$	Paid To	
18.	$	Paid To	
19.	$	Paid To	
20.	$	Paid To	
21.	$NONE	Amount Paid on Prior Account with Lender	

Amounts Paid to me

22.	$ 4000.00	Paid To [redacted]	
23.	$	Paid To	
24.	$	Paid To	
25.	$	Paid To	
26.	$	Paid To	
27.	$	Paid To	
	$ 4445.91	Amount Financed (Sum of lines 1 - 27)	
	$ 200.00	Prepaid Finance Charges (itemized below)	

PREPAID FINANCE CHARGES

1.	$ 200.00 Points	Paid To LENDER
2.	$NONE	Paid To
3.	$NONE	Paid To
4.	$NONE	Paid To
5.	$NONE	Paid To
6.	$NONE	Paid To
7.	$NONE	Paid To
8.	$NONE	Paid To

THIS AGREEMENT IS SUBJECT TO THE FEDERAL ARBITRATION ACT.

The original amount financed is $4,445.91* with an Annual Percentage Rate (APR) of roughly 25%. The finance charge is just over $2,000, for a total repayment of $6,533.25.

The payment schedule reflects the term length of 38 months. The first payment is $204.77, and the remaining 37 payments are $171.04, assuming there are no late fees or additional charges.

This loan is secured by the borrower's motor vehicle. This would allow the lender to repossess the vehicle as collateral for non-payment or default by the borrower.

*Add-on products in the form of credit insurance and other fees cover the lender at the expense of the borrower. As shown, the borrower receives $4,000, but the total loan amount includes an additional $445.91 to cover the costs of three separate insurance policies.

Source: Denver County Court records as acquired by CRL.

Maximum Finance Charge Allowed Under Colorado Code

OneMain and Lendmark are licensed in Colorado under the Consumer Credit Code.[12] Like the law in most states,[13] the Colorado Code protects state residents by setting limits on the allowable costs lenders can charge on consumer loans. The Colorado Code uses a "blended rate" structure that sets the maximum rates as follows: 36% APR on up to $1,000 of a loan's unpaid balance; 21% on the part of the unpaid balance that exceeds $1,000 up to $3,000; and 15% on the part of the unpaid balance that exceeds $3,000.[14] This blended rate structure yields APRs of roughly 21% to 36%, depending on loan size. The larger the loan, the lower the allowable APR. For all loans, if the blended rate structure yields an APR below 21%, the law guarantees lenders the right to charge an APR of 21% on the entire loan.

Figures 3 and 4 illustrate how the blended rate structure impacts both APR and total finance charge. Figure 3 reflects different loan sizes, all with a 36-month term, and Figure 4 reflects different loan terms for a $5,000 loan. As shown in Figure 3, larger loan sizes generate larger finance charges and lower APRs. Figure 4 reveals that increasing the loan term yields higher total finance charges and slightly lower APRs.

Figure 3. Sample Loan Sizes with 36-month Terms at Maximum Rates Under Colorado Code

Loan Size	Finance Charge	APR
$3,000	$1,515.32	28.82%
$5,000	$2,130.33	24.72%
$8,000	$2,929.80	21.54%

Source: CRL calculations.

Figure 4. $5,000 Loan with Sample Loan Terms at Maximum Rates Under Colorado Code

Term	Finance Charge	APR
36 months	$2,130.33	24.72%
48 months	$2,877.06	24.40%
60 months	$3,650.71	24.12%

Source: CRL calculations.

Within our sample, the finance charges on the loans appear to comply with Colorado law. The APRs range from 20% to 31%. Applied to loans of several thousand dollars that are repayable over two or more years, these rates yield finance charges of $2,000, and in many cases considerably more. Even where the APR is at the low end of the range, when applied to a relatively larger loan balance, the borrower's debt burden can be substantial. For example, "Patty," a borrower in the sample, received a loan of $6,882.90 with a four-year term. Although the 21.46% APR was low compared to others in the sample, it generated a finance charge of over $3,400, requiring her to make total payments of more than $10,000 to repay the loan in full by the end of the term.

Figure 5 illustrates the size, term, and finance charges of five loans from the sample.

Figure 5. Five Borrowers and Their Loan Features

	Loan Amount	APR	Term (Years)	Finance Charge	Total Repayment
"Serena"	$4,000.00	25.81%	4	$2,474.48	$6,474.48
"Lewis"	$5,868.19	22.79%	5	$4,015.61	$9,883.80
"Matthew"	$2,971.98	28.57%	2	$967.96	$3,939.94
"Patty"	$6,882.90	21.46%	4	$3,485.76	$10,368.66
"Pamela"	$3,878.68	26.20%	3.5	$2,086.16	$5,964.84

Source: Denver County Court records as acquired by CRL. Table compiled by CRL.

Credit Insurance and Additional Add-ons

Beyond the finance charges accrued on these loans, many of the loans in the sample were also subject to credit insurance, which imposes additional costs to borrowers and increases their debt loads. Both OneMain and Lendmark promote the sale of credit insurance and profit from it.[15] The profit takes two primary forms. First, the lenders receive a share of the premiums. In the case of OneMain, this is because the policies offered to borrowers are sold by OneMain's insurance affiliates, American Health and Life Insurance Company and Triton Insurance Company.[16] These affiliates are "predominately dependent" on these sales, as OneMain borrowers are the affiliates' primary source of business.[17] The OneMain loan agreements include the statement that OneMain or its affiliates may profit from the insurance sale. In the case of Lendmark, the company's loan agreements inform borrowers that the lender may retain a portion of the insurance premium. In addition to insurance, both Lendmark and OneMain also sell "automobile club memberships" as add-on products.[18]

Figure 6. Credit Insurance Example

A. TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost me.	AMOUNT FINANCED The amount of credit provided to me or on my behalf.	TOTAL OF PAYMENTS The amount I will have paid after I have made all payments as scheduled.
22.62 %	$ 3316.09	$ 6188.06	$ 9504.15

My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
1	$ 236.69	08/02/17
47	$ 197.18	monthly beginning 09/02/17

LATE CHARGE: ☐ If any payment is not paid in full within ____ days after its due date, I will be charged ______% of the ______ amount of the payment, but not more than $______ or less than $______.

☒ If any payment is not paid in full within 10 days after its due date, I will be charged $ 15.00 if the entire scheduled payment exceeds $ 0 or $N/A if the entire scheduled payment is $ 0 or less.

PREPAYMENT: If I pay off early: ☐ I may ☒ I will not have to pay a penalty for prepaying all or part of a loan's principal balance.
☐ I may ☒ I will not get a refund or credit of part of the finance charge for a prepayment in full. I will not receive a refund or credit for a partial prepayment.

SECURITY: I am giving Lender a security interest in: ☒ Unsecured ☐ Motor Vehicles ☐ Other Collateral

Year	Make	Model	Vehicle Identification No.

See the remainder of this Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.

ITEMIZATION OF AMOUNT FINANCED

Amounts paid to others on my behalf

1. $ 166.57 Single Life Premium — Paid To LIFE INSURANCE COMPANY *
2. $ 267.84 Single Disability Premium — Paid To DISABILITY INSURANCE COMPANY *
3. $ 253.65 IUI Premium — Paid To INVOLUNTARY UNEMPLOYMENT INS. CO. *
4. $NONE — Paid To
5. $NONE — Paid To
6. $NONE — Paid To
7. $NONE — Paid To
8. $NONE — Paid To
9. $NONE — Paid To
10. $NONE — Paid To
11. $ — Paid To
12. $ — Paid To
13. $ — Paid To
14. $ — Paid To
15. $ — Paid To
16. $ — Paid To
17. $ — Paid To
18. $ — Paid To
19. $ — Paid To
20. $ — Paid To
21. $NONE — Amount Paid on Prior Account with Lender

Amounts Paid to me

22. $ 5500.00 — Paid To [redacted]

* Lender may retain a portion of these amounts.

Source: Denver County Court records as acquired by CRL.

In addition to profiting from the sale of insurance premiums, the lenders also earn interest on the cost of the premiums because the cost is paid from the loan proceeds. The borrower takes on additional debt to pay for the insurance, and the lender earns interest on that additional debt. The automobile club memberships and other add-ons are paid for in the same way.

While these insurance policies are highly profitable to the lenders, they are of low value to the borrowers. In general, the premiums charged are high relative to the amounts actually paid on claims. In the event a claim is paid, the payment goes to the lender, not the borrower.

While these insurance policies are highly profitable to the lenders, they are of low value to the borrowers. In general, the premiums charged are high relative to the amounts actually paid on claims. In the event a claim is paid, the payment goes to the lender, not the borrower.

Despite the high cost and low value to the borrower, insurance policies were included with a remarkable number of loans. Forty of the 67 loans in the sample (60%) included insurance and/or other add-on products such as automobile club memberships. In many cases, the borrower was sold multiple insurance policies.

In 13 cases, the cost of these purchases consumed more than one-tenth of the loan proceeds (Figure 7). In six cases, borrowers took on more than $1,000 in additional debt to cover the add-on costs.

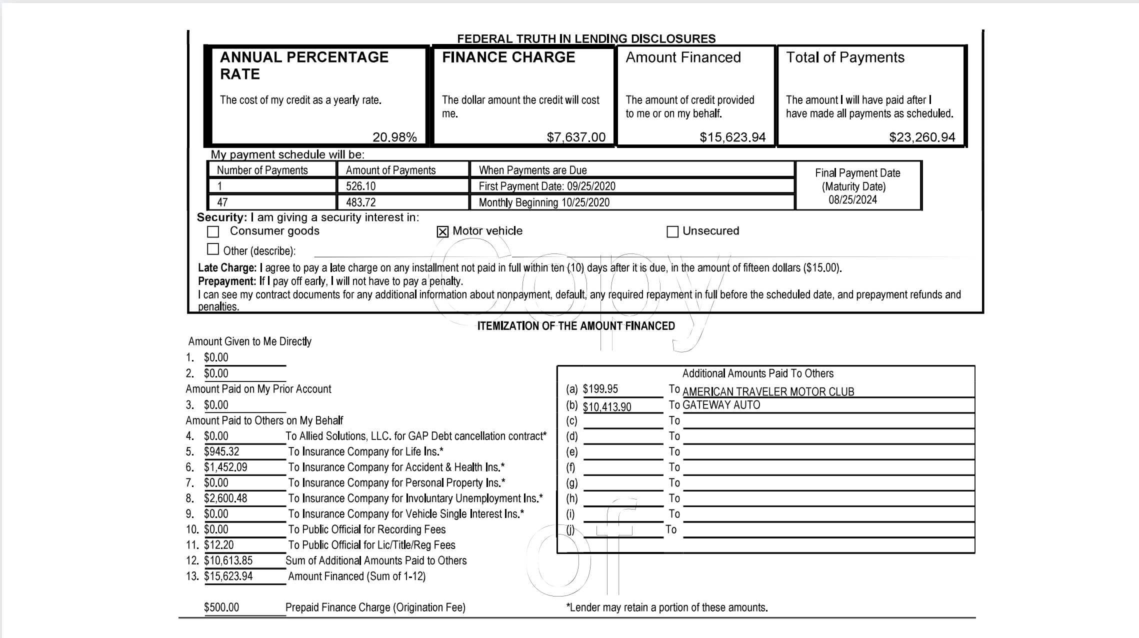
Figure 7. Examples of Add-on Products Comprising More Than One-Tenth of Loan Funds

	Total Amount Financed	Number of Policies Sold	Insurance Premium	Auto Club Memberships	Lender
"Brittany"	$4,445.91	3	$433.71	$0	OneMain
"Raina"	$4,907.40	3	$507.40	$0	OneMain
"Leanna"	$5,189.14	3	$589.04	$0	OneMain
"Braxton"	$6,188.06	3	$688.06	$0	OneMain
"Bailey"	$6,760.07	3	$760.07	$0	OneMain
"Noel"	$2,699.18	4	$319.23	$379.95	Lendmark
"Bradley"	$3,868.12	3	$588.88	$0	Lendmark
"Tina"	$5,097.26	4	$717.31	$379.95	Lendmark
"Patty"	$6,882.90	3	$1,135.07	$0	Lendmark
"Hailey"	$5,085.24	4	$1,248.20	$0	Lendmark
"Stephen"	$9,282.67	3	$1,379.93	$0	Lendmark
"Molly"	$11,008.01	3	$2,036.90	$0	Lendmark
"Preston and Emma"	$15,623.94	4	$5,006.89	$199.95	Lendmark

Source: Denver County Court records as acquired by CRL. Table compiled by CRL.

Lendmark's loan to " Preston and Emma" is a particularly egregious example. Here the cost of insurance and automobile club memberships added more than $5,000 to what would otherwise have been a $10,000 loan. Add-ons ballooned their debt load to more than $15,000. If the costs of these products were included in the finance charge, it would produce an APR of more than 47%—more than double the APR stated on the loan agreement.

Figure 8. "Preston and Emma's" Loan Document



FEDERAL TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me.	The amount of credit provided to me or on my behalf.	The amount I will have paid after I have made all payments as scheduled.
20.98%	$7,637.00	$15,623.94	$23,260.94

My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due	Final Payment Date (Maturity Date) 08/25/2024
1	526.10	First Payment Date: 09/25/2020	
47	483.72	Monthly Beginning 10/25/2020	

Security: I am giving a security interest in:
☐ Consumer goods ☒ Motor vehicle ☐ Unsecured
☐ Other (describe):

Late Charge: I agree to pay a late charge on any installment not paid in full within ten (10) days after it is due, in the amount of fifteen dollars ($15.00).
Prepayment: If I pay off early, I will not have to pay a penalty.
I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

ITEMIZATION OF THE AMOUNT FINANCED

Amount Given to Me Directly
1. $0.00
2. $0.00

Amount Paid on My Prior Account
3. $0.00

Amount Paid to Others on My Behalf
4. $0.00 To Allied Solutions, LLC. for GAP Debt cancellation contract*
5. $945.32 To Insurance Company for Life Ins.*
6. $1,452.09 To Insurance Company for Accident & Health Ins.*
7. $0.00 To Insurance Company for Personal Property Ins.*
8. $2,600.48 To Insurance Company for Involuntary Unemployment Ins.*
9. $0.00 To Insurance Company for Vehicle Single Interest Ins.*
10. $0.00 To Public Official for Recording Fees
11. $12.20 To Public Official for Lic/Title/Reg Fees
12. $10,613.85 Sum of Additional Amounts Paid to Others
13. $15,623.94 Amount Financed (Sum of 1-12)

Additional Amounts Paid To Others
(a) $199.95 To AMERICAN TRAVELER MOTOR CLUB
(b) $10,413.90 To GATEWAY AUTO
(c) To
(d) To
(e) To
(f) To
(g) To
(h) To
(i) To
(j) To

$500.00 Prepaid Finance Charge (Origination Fee)

*Lender may retain a portion of these amounts.

Source: Denver County Court records as acquired by CRL.

"Preston and Emma's" loan terms are captured in the following table, with the cost of the add-ons included in the APR and finance charge.

Figure 9. "Preston and Emma's" Loan Terms with Cost of Add-Ons

Loan Size Excluding Add-Ons	Add-Ons	Term	Stated APR	APR Including Add-Ons	Stated Finance Charge	Finance Charge including Add-Ons
$10,413.90	$5,210.04	48 Months	20.98%	47.16%	$7,637.00	$12,847.04

Source: CRL calculations ("APR Including Add-Ons"). Table compiled by CRL.

The frequency of these add-on purchases that profit the lender, at great cost and little value to the borrower, raises the question of how and why such purchases—which OneMain refers to as "voluntary" or "optional"[19]—are such common features of these lending agreements. These add-on features are so common that many of the loans agreements in the sample, like "Preston and Emma's" (see Figure 8), have the various types of insurance policies preprinted on the loan document under the "itemization of the amount financed," making clear the expectation that these purchases will be bundled into and paid for with borrowed money.

In addition to the presence of add-on products and credit insurance, renewal loans—loans that pay off existing loans to the same lender—are common. Twenty-four of the 67 loans in the sample were renewals. Nationally, about half of OneMain customers renew their loan at least once during the loan's life.[20] In 17 of the renewals in the sample, after paying off the prior loan and paying for new insurance, the borrower received less than $600.

"Stephen's" renewal loan, as shown in Figure 10, is an egregious example of loan terms benefiting the lender and harming the borrower. On a loan of $9,283, Lendmark sold him $1,380 in credit insurance and took $7,903 to repay the balance on his prior loan. "Stephen" received $0.00.

This transaction cannot reasonably be described as financially beneficial to the borrower. If the renewal was an accommodation to a borrower at risk of default, expanding his debt burden to cover $1,380 in credit insurance was not in his interest. Conversely, if the borrower was not struggling to repay the existing loan, it is implausible that he sought an additional $1,380 in debt to finance the purchase of new credit insurance.

Figure 10. "Stephen's" Loan Renewal

DISCLOSURE STATEMEN , PROMISSORY NOTE AND SECL TY AGREEMENT

DATE: 11/29/2017 ACCOUNT NUMBER: 7504 LOAN AMOUNT: $9,282.67

Filing Date: 3/15/2019 12:15:27 PM
Filing ID: [redacted]

LENDER/SECURED PARTY: (you, your)
LENDMARK FINANCIAL SERVICES, LLC
15025 E MISSISSIPPI AVE
AURORA, CO 80012

BORROWER(S)/DEBTOR(S): (I, me, my, mine, we, our, and ours)
[redacted]

ADDRESS FOR BORROWER(S):
[redacted]

pwc

FEDERAL TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me	The amount of credit provided to me or on my behalf	The amount I will have paid after I have made all payments as scheduled.
20.83%	$3,941.08	$9,282.67	$13,223.75

My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due	Final Payment Date (Maturity Date)
1	382.14	First Payment Date: 01/12/2018	06/12/2021
41	313.21	Monthly, on the same say as the First Payment*	

Security: I am giving a security interest in:
☐ Consumer goods ☒ Motor vehicle ☐ Unsecured
☐ Other (describe):

Late Charge: I agree to pay a late charge on any installment not paid in full within ten (10) days after it is due, in the amount of fifteen dollars ($15.00)
Prepayment: If I pay off early, I will not have to pay a penalty
I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.
*If the first payment is due on the last day of the month, all monthly payments will be due on the last day of the respective month.

ITEMIZATION OF THE AMOUNT FINANCED

Amount Given to Me Directly
1 $0.00
2 $0.00
Amount Paid on My Prior Account
3. $7,902.74
Amount Paid to Others on My Behalf
4. $0.00 To Allied Solutions, LLC for GAP Debt cancellation contract*
5. $202.58 To Insurance Company for Life Ins.*
6. $353.86 To Insurance Company for Accident & Health Ins.*
7. $823.49 To Insurance Company for Involuntary Unemployment Ins.*
8. $0.00 To Insurance Company for Vehicle Single Interest Ins.*
9. $0.00 To Public Official for Recording Fees
10. $0.00 To Public Official for Lic/Title/Reg Fees
11. $0.00 Sum of Additional Amounts Paid to Others
12. $9,282.67 Amount Financed (Sum of 1-11)

Additional Amounts Paid To Others
(a) To
(b) To
(c) To
(d) To
(e) To
(f) To
(g) To
(h) To
(i) To
(j) To

$0.00 Prepaid Finance Charge

*Lender may retain a portion of these amounts.

NOTE: I, the undersigned Borrower, jointly and severally, promise to pay to the order of Lender, at its office, the Loan Amount (Amount Financed plus Prepaid Finance Charge shown

Source: Denver County Court records as acquired by CRL.

The high incidence of insurance-packed renewal loans raises the possibility that the lenders may use renewals as a way to sell additional insurance or extend the period of indebtedness of borrowers who could otherwise have repaid their loans within their original terms.

Conclusion and Recommendations

The lending practices identified in this research raise significant consumer protection concerns. This paper focuses on the practices of two lenders active in Colorado, but these concerns are not limited to these lenders or to any one state.

In Colorado and other states, regulators should examine their licensees to ensure that lenders are not deceptively pushing borrowers deeper into debt through loan-related transactions that profit the lender at high cost and little benefit to the borrower. Regulators should also ensure that lenders do not use loan renewals to facilitate further sales of insurance and other add-on products, or inappropriately extend the period of indebtedness for borrowers who would otherwise have repaid their loans within their original terms. Attorneys general should hold lenders accountable for any such deceptive or otherwise improper practices. Likewise, the Consumer Financial Protection Bureau (CFPB) should ensure that consumer finance lenders are not engaging in unfair, deceptive, or abusive practices that harm consumers.

The loans analyzed for this paper demonstrate the high cost of the loans at the interest rates currently permitted by Colorado law. The loans are already very costly, bloated with add-ons that have limited value to borrowers, and frequently renewed. In Colorado and elsewhere, lawmakers should not weaken state interest rate limits to allow even higher-cost loans. Instead, state laws should be strengthened to include the cost of add-on products when determining finance charge limits.

In Colorado and elsewhere, lawmakers should not weaken state interest rate limits to allow even higher-cost loans. Instead, state laws should be strengthened to include the cost of add-on products when determining finance charge limits.

Appendix A: Page 1 of OneMain Financial and Lendmark Financial Services Loan Documents

A.1. OneMain Financial

EFILED Document: Denver County
OneMain. Lending Made Personal
Filing Date: 5/31/2019 8:32:02 AM
Filing ID: [redacted]

LOAN AGREEMENT AND DISCLOSURE STATEMENT

DATE 08/22/17	ACCOUNT NUMBER [redacted]	TYPE OF LOAN (Alpha) F00	DATE FINANCE CHARGE BEGINS TO ACCRUE 08/23/17

LENDER/SECURED PARTY NAME AND ADDRESS ("Lender")	BORROWER(S) NAME AND ADDRESS ("I","We")
ONEMAIN FINANCIAL SERVICES, INC. BROADWAY MARKETPLACE 545 S BROADWAY STE 300 303-282-6611 DENVER, CO 80209-4076	[redacted]

I have carefully read this entire Loan Agreement And Disclosure Statement and all related documents which include the Insurance Disclosure Summary, Truth In Lending Insurance Disclosures and Personal Property Appraisal Form (provided separately if applicable), all of which collectively constitute the "Agreement." This Loan Agreement and Disclosure Statement is divided into four sections: **A. Truth In Lending Disclosures; B. Loan Terms And Conditions; C. Arbitration Agreement And Waiver Of Jury Trial and D. Entire Agreement/Notices/Signature.** If I had any questions, I asked them before I signed these documents. By signing, I indicate my agreement to the statements, promises, terms, and conditions contained in the Agreement.

A. TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate.	**FINANCE CHARGE** The dollar amount the credit will cost me.	AMOUNT FINANCED The amount of credit provided to me or on my behalf.	TOTAL OF PAYMENTS The amount I will have paid after I have made all payments as scheduled.
24.35%	$ 2463.10	$ 4907.40	$ 7370.50

My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
1	$ 202.06	10/01/17
41	$ 174.84	monthly beginning 11/01/17

LATE CHARGE: ☐ If any payment is not paid in full within ____ days after its due date, I will be charged _______% of the _______ amount of the payment, but not more than $_______ or less than $_______.

☒ If any payment is not paid in full within 10 days after its due date, I will be charged $15.00 if the entire scheduled payment exceeds $0 or $N/A if the entire scheduled payment is $0 or less.

PREPAYMENT: If I pay off early: ☐ I may ☒ I will not have to pay a penalty for prepaying all or part of a loan's principal balance.
☐ I may ☒ I will not get a refund or credit of part of the finance charge for a prepayment in full. I will not receive a refund or credit for a partial prepayment.

SECURITY: I am giving Lender a security interest in: ☒ Unsecured ☐ Motor Vehicles ☐ Other Collateral

Year	Make	Model	Vehicle Identification No.

See the remainder of this Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.

ITEMIZATION OF AMOUNT FINANCED

Amounts paid to others on my behalf

1.	$ 113.08	Single Life Premium	Paid To LIFE INSURANCE COMPANY *
2.	$ 197.53	Single Disability Premium	Paid To DISABILITY INSURANCE COMPANY *
3.	$ 196.79	IUI Premium	Paid To INVOLUNTARY UNEMPLOYMENT INS. CO. *
4.	$NONE		Paid To
5.	$NONE		Paid To
6.	$NONE		Paid To
7.	$NONE		Paid To
8.	$NONE		Paid To
9.	$NONE		Paid To
10.	$NONE		Paid To
11.	$	Paid To	
12.	$	Paid To	* Lender may retain a portion of these amounts.
13.	$	Paid To	
14.	$	Paid To	
15.	$	Paid To	
16.	$	Paid To	
17.	$	Paid To	
18.	$	Paid To	
19.	$	Paid To	
20.	$	Paid To	
21.	$NONE	Amount Paid on Prior Account with Lender	

Amounts Paid to me

22.	$ 4400.00	Paid To [redacted]	
23.	$	Paid To	
24.	$	Paid To	
25.	$	Paid To	
26.	$	Paid To	
27.	$	Paid To	
	$ 4907.40	Amount Financed (Sum of lines 1 - 27)	
	$ 220.00	Prepaid Finance Charges (itemized below)	

PREPAID FINANCE CHARGES

1.	$ 220.00	Points	Paid To LENDER
2.	$NONE		Paid To
3.	$NONE		Paid To
4.	$NONE		Paid To
5.	$NONE		Paid To
6.	$NONE		Paid To
7.	$NONE		Paid To
8.	$NONE		Paid To

THIS AGREEMENT IS SUBJECT TO THE FEDERAL ARBITRATION ACT.

By signing below, I acknowledge receipt of a copy of this Federal Disclosure Statement.

E-SIGNed 08/22/2017 by
[redacted]
Borrowe ____________________ Co-Borrower

SEE ADDITIONAL PAGES FOR IMPORTANT INFORMATION

[redacted] (06-11-17) C.E. Agreement Page 1

Source: Denver County Court records as acquired by CRL.

A.2. Lendmark Financial Services

DISCLOSURE STATEMENT, PROMISSORY NOTE AND SECURITY AGREEMENT

DATE: 9/26/2020 LOAN AMOUNT: $5,085.24

LENDER/SECURED PARTY: (you, your)	B[redacted]DEBTOR(S): (I[redacted] we, our, and ours)	ADDRESS FOR NOTICE(S):
LENDMARK FINANCIAL SERVICES, LLC 8500 W CRESTLINE AVE UNIT G8 LITTLETON, CO 80123	[redacted]	[redacted]

FEDERAL TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me.	The amount of credit provided to me or on my behalf.	The amount I will have paid after I have made all payments as scheduled.
20.74%	$1,802.69	$5,085.24	$6,887.93

My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due	Final Payment Date (Maturity Date)
1	205.38	First Payment Date: 11/01/2020	10/01/2023
35	190.93	Monthly Beginning 12/01/2020	

Security: I am giving a security interest in:

☐ Consumer goods ☒ Motor vehicle ☐ Unsecured

☐ Other (describe):

Late Charge: I agree to pay a late charge on any installment not paid in full within ten (10) days after it is due, in the amount of fifteen dollars ($15.00).

Prepayment: If I pay off early, I will not have to pay a penalty.

I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

ITEMIZATION OF THE AMOUNT FINANCED

Amount Given to Me Directly
1. $100.00
2. $0.00

Amount Paid on My Prior Account
3. $3,737.04

Amount Paid to Others on My Behalf
4. $0.00 To Allied Solutions, LLC. for GAP Debt cancellation contract*
5. $127.70 To Insurance Company for Life Ins.*
6. $220.84 To Insurance Company for Accident & Health Ins.*
7. $0.00 To Insurance Company for Personal Property Ins.*
8. $420.66 To Insurance Company for Involuntary Unemployment Ins.*
9. $479.00 To Insurance Company for Vehicle Single Interest Ins.*
10. $0.00 To Public Official for Recording Fees
11. $0.00 To Public Official for Lic/Title/Reg Fees
12. $0.00 Sum of Additional Amounts Paid to Others
13. $5,085.24 Amount Financed (Sum of 1-12)

$0.00 Prepaid Finance Charge (Origination Fee)

Additional Amounts Paid To Others

(a)		To	
(b)		To	
(c)		To	
(d)		To	
(e)		To	
(f)		To	
(g)		To	
(h)		To	
(i)		To	
(j)		To	

*Lender may retain a portion of these amounts.

NOTE: I, the undersigned Borrower, jointly and severally, promise to pay to the order of Lender, at its office, the Loan Amount (Amount Financed plus Prepaid Finance Charge shown above) plus interest from the date hereof on the unpaid balance of the Loan Amount, from time remaining unpaid, at the interest rate(s) described below, until paid in full, according to the payment schedule shown above. Each consecutive payment is due on the same day of each calendar month.

RATE OF INTEREST: Interest accrues on a daily basis at a rate of 20.75% per annum.

POST-MATURITY INTEREST: Interest will continue to accrue at the Rate of Interest on the balance of this note not paid at maturity, including maturity by acceleration.

SECURITY AGREEMENT: I grant you a security interest in the Property described below. The rights I am giving you in this Property and the obligations this document secures are defined on page 2.

☒ (a) Motor Vehicle:

YEAR	MAKE	MODEL	BODY TYPE	SERIAL NO. / IDENTIFICATION
2003	Volkswagen	New Beetle	Coupe 2D GLS 2.0L I4	[redacted]

☐ (b) Consumer Goods: See "Personal Property List" which is incorporated herein by reference thereto.

☐ (c) Other (describe):

I agree to the terms set out on Page 1 and Page 2 of this document. I have received a completely filled in copy of this document on today's date.

THIS DOCUMENT IS EXECUTED UNDER SEAL BY THE BORROWER(S) ON THE DATE ABOVE WRITTEN.

[redacted] (SEAL) Borrower/Debtor (SEAL)

Borrower/Debtor (SEAL) Borrower/Debtor (SEAL)

The undersigned is/are not personally liable for this loan but grant(s) a security interest in the Property described above as security for this loan and agree to be bound by the provisions of this document insofar as they relate to the Property.

(SEAL) (SEAL)

SEE PAGE 2 FOR ADDITIONAL TERMS AND CONDITIONS

Source: Denver County Court records as acquired by CRL.

Appendix B: Samples of Add-On Products in Loan Documents

B.1. "Braxton's" Add-On Products

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost me.	AMOUNT FINANCED The amount of credit provided to me or on my behalf.	TOTAL OF PAYMENTS The amount I will have paid after I have made all payments as scheduled.
22.62%	$ 3316.09	$ 6188.06	$ 9504.15

My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
1	$ 236.69	08/02/17
47	$ 197.18	monthly beginning 09/02/17

LATE CHARGE: ☐ If any payment is not paid in full within ____ days after its due date, I will be charged _______% of the _______ amount of the payment, but not more than $_______ or less than $_______.

☒ If any payment is not paid in full within 10 days after its due date, I will be charged $ 15.00 if the entire scheduled payment exceeds $ 0 or $N/A if the entire scheduled payment is $ 0 or less.

PREPAYMENT: If I pay off early: ☐ I may ☒ I will not have to pay a penalty for prepaying all or part of a loan's principal balance.

☐ I may ☒ I will not get a refund or credit of part of the finance charge for a prepayment in full. I will not receive a refund or credit for a partial prepayment.

SECURITY: I am giving Lender a security interest in: ☒ Unsecured ☐ Motor Vehicles ☐ Other Collateral

Year	Make	Model	Vehicle Identification No.

See the remainder of this Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.

ITEMIZATION OF AMOUNT FINANCED

Amounts paid to others on my behalf

1. $ 166.57 Single Life Premium Paid To LIFE INSURANCE COMPANY *
2. $ 267.84 Single Disability Premium Paid To DISABILITY INSURANCE COMPANY *
3. $ 253.65 IUI Premium Paid To INVOLUNTARY UNEMPLOYMENT INS. CO. *
4. $NONE Paid To
5. $NONE Paid To
6. $NONE Paid To
7. $NONE Paid To
8. $NONE Paid To
9. $NONE Paid To
10. $NONE Paid To
11. $ Paid To
12. $ Paid To
13. $ Paid To
14. $ Paid To
15. $ Paid To
16. $ Paid To
17. $ Paid To
18. $ Paid To
19. $ Paid To
20. $ Paid To
21. $NONE Amount Paid on Prior Account with Lender

Amounts Paid to me

22. $ 5500.00 Paid To [redacted]

* Lender may retain a portion of these amounts.

Source: Denver County Court records as acquired by CRL.

In this example, "Braxton" received $5,500 with a term of 48 months. Credit insurance products increased the amount financed to $6,188.06. When the cost of credit insurance is included in the finance charge, the loan called for "Braxton" to repay $9,504.15—with the finance charge equaling more than half of the amount he borrowed.

B.2. "Noel's" Add-On Products

ITEMIZATION OF THE AMOUNT FINANCED

Amount Given to Me Directly

1.	$2,000.00	
2.	$0.00	
Amount Paid on My Prior Account		
3.	$0.00	
Amount Paid to Others on My Behalf		
4.	$0.00	To Allied Solutions, LLC. for GAP Debt cancellation contract*
5.	$31.49	To Insurance Company for Life Ins.*
6.	$79.81	To Insurance Company for Accident & Health Ins.*
7.	$0.00	To Insurance Company for Personal Property Ins.*
8.	$207.93	To Insurance Company for Involuntary Unemployment Ins.*
9.	$0.00	To Insurance Company for Vehicle Single Interest Ins.*
10.	$0.00	To Public Official for Recording Fees
11.	$0.00	To Public Official for Lic/Title/Reg Fees
12.	$379.95	Sum of Additional Amounts Paid to Others
13.	$2,699.18	Amount Financed (Sum of 1-12)
	$134.96	Prepaid Finance Charge (Origination Fee)

Additional Amounts Paid To Others

(a)	$379.95	To	AMERICAN TRAVELER MOTOR CLUB
(b)		To	
(c)		To	
(d)		To	
(e)		To	
(f)		To	
(g)		To	
(h)		To	
(i)		To	
(j)		To	

*Lender may retain a portion of these amounts.

Source: Denver County Court records as acquired by CRL.

“Noel” borrowed $2,000 from Lendmark Financial at a rate of 28.7% for 24 months. His loan had add-ons totaling $699.18, including three insurance policies and a $379.95 fee to American Travel Motor Club.

Appendix C: Full Sample Loan Characteristics of OneMain Financial and Lendmark Financial Services

C.1. OneMain Financial Full Sample Loan Characteristics

Borrower	Borrower Pseudonym	Original Amount Financed	Finance Charge	APR	Secured Loan?	Add-On Products Present?	Borrower Received less than $600?	Renewal Loan?
1		$5,458.09	$2,233.48	23.72%	Yes	Yes		
2	"Matthew"	$7,500.00	$4,803.50	21.28%				Yes
3		$5,000.00	$2,097.04	20.76%				
4		$4,188.96	$2,531.04	25.47%	Yes			
5		$5,250.00	$2,979.42	23.77%	Yes			
6		$5,583.14	$3,103.40	20.80%		Yes		
7		$2,678.52	$665.52	29.38%		Yes		
8		$4,754.30	$2,417.21	24.61%				Yes
9		$4,000.00	$2,469.20	25.82%				
10		$4,657.69	$2,032.80	24.84%		Yes	Yes	Yes
11	"Serena"	$4,000.00	$2,474.48	25.81%				
12	"Leanna"	$5,189.14	$2,926.19	23.87%		Yes		
13	"Matthew"	$2,971.98	$967.96	28.57%	Yes	Yes		
14		$8,663.65	$4,853.61	20.96%		Yes		
15		$3,311.23	$1,387.15	24.27%		Yes		
16		$6,500.00	$3,438.15	22.29%				
17		$7,000.00	$4,421.60	26.49%				
18		$3,321.95	$1,621.09	27.44%		Yes		
19		$3,800.00	$1,774.68	26.42%	Yes			Yes
20		$10,351.97	$6,509.98	21.00%		Yes		
21		$7,000.21	$4,584.84	21.69%				
22	"Braxton"	$6,188.06	$3,316.09	22.62%		Yes		
23		$10,819.51	$5,340.46	20.95%	Yes	Yes		
24	"Lewis"	$5,868.19	$4,015.61	22.79%		Yes		
25		$7,351.59	$3,708.34	21.58%	Yes		Yes	Yes
26	"Raina"	$4,907.40	$2,463.10	24.35%		Yes		
27		$9,000.00	$4,890.75	20.38%				
28		$5,232.34	$2,927.66	23.80%				
29		$8,650.14	$6,127.26	23.49%		Yes		
30		$9,024.40	$5,438.72	20.32%	Yes			
31		$2,000.00	$729.24	31.31%				
32		$10,600.95	$6,651.42	20.98%				
33		$5,959.64	$3,237.75	22.85%		Yes		
34	"Bailey"	$6,760.07	$3,990.81	21.96%		Yes	Yes	Yes
35		$3,146.48	$1,547.55	27.89%				Yes
36	"Brittany"	$4,445.91	$2,087.34	25.16%	Yes	Yes		
37		$3,183.00	$1,570.27	27.75%		Yes		
38		$4,222.73	$2,496.79	24.99%		Yes		
39		$9,905.82	$6,204.93	20.99%	Yes	Yes		
40		$11,985.26	$7,532.94	20.97%				Yes
41		$4,843.10	$2,417.89	24.49%	Yes	Yes		
42		$7,325.00	$4,666.07	21.16%	Yes	Yes	Yes	Yes
43		$6,947.20	$4,558.32	21.69%	Yes			
44		$8,477.86	$5,296.80	20.99%	Yes	Yes		
Total					**14**	**24**	**4**	**9**

Source: Denver County Court records as acquired by CRL. Table compiled by CRL.

C.2. Lendmark Financial Services Full Sample Loan Characteristics

Borrower	Borrower Pseudonym	Original Amount Financed	Finance Charge	APR	Secured Loan?	Add-On Products Present?	Borrower Received less than $600?	Renewal Loan?
1	"Bradley"	$3,868.12	$2,064.11	29.60%	Yes	Yes		
2		$2,288.89	$605.81	30.18%	Yes	Yes		
3	"Stephen"	$9,282.67	$3,941.08	20.83%	Yes	Yes	Yes	Yes
4		$4,178.53	$2,231.90	25.60%	Yes		Yes	Yes
5		$5,000.00	$2,845.84	24.03%	Yes			Yes
6		$3,307.01	$773.75	27.31%	Yes	Yes		
7		$6,524.67	$3,368.67	21.82%	Yes	Yes	Yes	Yes
8	"Pamela"	$3,878.68	$2,086.16	26.20%			Yes	Yes
9		$2,318.76	$1,017.83	29.60%		Yes	Yes	Yes
10		$5,469.34	$3,015.62	23.49%	Yes	Yes		Yes
11	"Tina"	$5,097.26	$2,116.31	23.66%	Yes	Yes		
12		$4,533.58	$2,351.79	24.92%	Yes	Yes		
13		$3,069.81	$795.14	22.79%	Yes		Yes	Yes
14		$2,785.58	$1,160.63	28.84%	Yes	Yes		Yes
15		$5,334.07	$2,563.61	23.69%	Yes	Yes		Yes
16	"Noel"	$2,699.18	$379.95	28.70%		Yes		
17	"Preston & "Emma"	$15,623.94	$7,637.00	20.98%	Yes	Yes		
18		$3,787.08	$1,717.34	25.99%				Yes
19	"Patty"	$6,882.90	$3,485.76	21.46%		Yes		
20		$3,927.56	$1,480.83	25.74%	Yes			Yes
21	"Molly"	$11,008.01	$5,439.14	20.97%	Yes	Yes	Yes	Yes
22		$3,319.37	$791.83	21.45%			Yes	Yes
23	"Hailey"	$5,085.24	$1,802.69	20.47%	Yes	Yes	Yes	Yes
Total					**17**	**16**	**9**	**15**

Source: Denver County Court records as acquired by CRL. Table compiled by CRL.

Appendix D: Full Loan Documents of OneMain Financial and Lendmark Financial Services

D.1. OneMain Financial Full Loan Document

EFILED Document: Denver County

Disclosure Statement,] e and Security Agreem

Filing Date: 5/8/2019 4:49:04 PM
Filing ID: [redacted]

Borrower(s) (Name and mailing address)	Lender (Name, address, city and state)	Date of Loan
[redacted]	ONEMAIN FINANCIAL GROUP, LLC [redacted] 4621 Peoria Street Denver CO 80239	12/16/2016

ANNUAL PERCENTAGE RATE The cost of Borrower's credit as a yearly rate	FINANCE CHARGE The dollar amount the credit will cost Borrower	Amount Financed The amount of credit provided to Borrower or on Borrower's behalf	Total of Payments The amount Borrower will have paid after Borrower has made all payments as scheduled
22.79 %	$ 4,015.61	$ 5,868.19	$ 9,883.80

Payment Schedule

Number of Payments	Amount of Payments	When Payments Are Due
60	$ 164.73	MONTHLY BEGINNING 01/16/2017
	$	
	$	
	$	

See the contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment rebates and penalties

Security If checked, Borrower is giving a security interest in

☐ Motor Vehicle ☐ Mobile Home

☐ Other

Late Charge If a payment is late, borrower will be charged a late fee of

☒ $15.00 after 10 days of the due date

☐ % of the unpaid portion of the payment due after days of the due date if the loan is secured by an interest in real property

Prepayment If Borrower prepays the principal balance in full or in part, Borrower will not have to pay a penalty

Additional Information

PRINCIPAL	POINTS ORIGINATION FEE	BUYDOWN FEE	DATE CHARGES BEGIN
$ 6,102.92	$ 234.73	$ NONE	12/16/2016

INSURANCE DISCLOSURE

Required Insurance: If the collateral securing the credit is a private-passenger, non-commercial motor vehicle (including a recreational vehicle, boat, or movable mobile home), Borrower must provide collision and comprehensive casualty insurance in an amount sufficient to satisfy the unpaid balance of the loan or equal to the value of the collateral, whichever is less All such policies and renewals thereof must name Lender as loss payee and must be maintained by Borrower, until the credit is repaid in full Borrower may obtain a new insurance policy or provide an existing policy from any insurer that is acceptable to Lender If Borrower obtains the collateral protection insurance at Lender's office, Borrower acknowledges that such insurance (1) may cost more than insurance that is available from another insurer, (2) will primarily protect Lender's interest in the collateral, and (3) does not protect Borrower from claims by other persons The insurer of this coverage reserves no right of subrogation against the Borrower

Optional Insurance: Credit life insurance, credit disability insurance, involuntary unemployment insurance, and any other insurance products that are not required by the above paragraph are optional to Borrower and are not required in order to obtain credit. If Borrower desires voluntarily to purchase any of these optional insurance products, Borrower must sign below and in other required documents and will receive an insurance certificate or policy detailing the coverage terms and conditions that apply to the insurance. Borrower should refer to the terms and conditions contained in the applicable insurance certificate or policy issued for the exact description of benefits and exclusions. Borrower is encouraged to inquire about coverage and refund provisions

If the initial amount of coverage for credit life insurance set forth in Borrower's insurance certificate or policy is equal to the Total of Payments stated above, it may exceed the amount necessary to pay off Borrower's loan at any given time Any excess insurance coverage amount that may become payable will be paid to the appropriate party as designated in the insurance certificate or policy

Borrower's regular monthly loan payment if Borrower elects not to purchase insurance will be $ 150.90.

Termination of Optional Insurance: Borrower may cancel any of the optional insurance products obtained at Lender's office at any time upon Borrower's written request for cancellation to Lender If Borrower is in default under the terms of this agreement, Borrower has authorized the insurer to terminate any and/or all optional insurance products upon Borrower's default If the Borrower cancels any optional product within the time specified in the insurance certificate, typically 30 days from of the Date of the Loan, by making a written request to Lender, together with returning the policy or certificate of insurance to Lender, Borrower is entitled to a full refund of premium After the specified time, the Borrower is entitled to a refund of the unearned portion of the premium Upon termination of any insurance for any reason, the insurer will deliver the refund of premium, if any, to the Lender, which will (1) apply it to the Borrower's outstanding loan balance, (2) issue a check for the refund to the Borrower, or (3) apply it as may be otherwise required by state law Lender agrees to pay to Borrower any amount by which the refund received by Lender exceeds the outstanding loan balance

I/we request the following insurance.

Cost/Premium	Insurance Type	Insurance Term (in mos)
$ NONE		
$ 303.43	SINGLE CREDIT DISAB	60
$ NONE		
$ NONE		
$ 264.89	SINGLE INVOL UNEMP	60

[redacted] 12-16-16
Date

Second Borrower's Signature Date

TERMS In this Disclosure Statement, Note and Security Agreement, the word "Borrower" refers to the persons signing below as Borrower, whether one or more If more than one Borrower signs, each will be responsible individually and together, for all promises made and for repaying the loan in full The word "Lender" refers to the Lender, whose name and address are shown above

PROMISE TO PAY In return for a loan that Borrower has received, Borrower promises to pay to the order of Lender the Principal amount shown above, which includes the described Points/Origination Fees, plus interest on the unpaid Principal balance from the Date Charges Begin shown above at the Rate of Interest of 20.8908 % per annum Lender will compute interest on the unpaid Principal balance on a daily basis from the date charges begin until Borrower repays the loan If Borrower does not make sufficient or timely payments according to the payment schedule above, Borrower will incur greater interest charges on the loan On the N/A month anniversary of the Date of Loan shown above, the Rate of Interest applicable to the remaining unpaid principal balance shall decrease to N/A % per annum

Any amount shown above as Points/Origination Fees has been paid by Borrower as points and any amount shown above as Buydown Fee has been paid by a party other than Borrower as a Buydown Fee These amounts are considered a prepaid charge and are in addition to interest calculated at the above Rate(s) of Interest Any Points/Origination Fees or Buydown Fee are earned prior to any other interest on the loan balance In the event of prepayment of the loan, prepaid Points/Origination Fees and/or Buydown Fees will not be refundable to Borrower

Principal and interest shall be payable in the monthly installments shown above, except that any appropriate adjustments will be made to the first and final payments, beginning on the first payment date shown above and continuing on the same day in each following month until paid in full unless this

Borrower's Initials [redacted] ______

Original (Branch) Copy (Customer) Page 1 of 3

Source: Denver County Court records as acquired by CRL.

D.1. OneMain Financial Full Loan Document (Continued)

[redacted] 12/16/2016

loan is subject to a call provision as indicated, in which event the final payment date may be accelerated Upon the final payment date or the acceleration thereof, the entire outstanding balance of Principal and interest evidenced by this Disclosure Statement, Note and Security Agreement shall be due and payable Any payment(s) which Lender accepts after the final payment date or the acceleration thereof do not constitute a renewal or extension of this loan unless Lender so determines

Each Payment will be applied first to late charges, if any, then to interest computed to the date of payment, with the remainder applied to Principal If the late charge is deducted from any payment received after default occurs and the deduction results in the default of a subsequent installment, no late charge will be collected for the resulting default Lender may collect interest from and after maturity upon the unpaid Principal balance at either the maximum rate permitted by the then applicable law or the rate of interest prevailing at the time of maturity under this Disclosure Statement, Note and Security Agreement

PREPAYMENT Borrower may make a full orpartial prepayment of the unpaid Principal balance at any time without penalty
When Borrower makes a prepayment, Borrower will tell Lender in a letter that Borrower is doing so Lender will use Borrower's prepayments to reduce the amount of unpaid interest and charges and the amount of principal that Borrower owes under this Note Partial prepayment and the application of a Refund to the unpaid balance of the loan will not affect the amount or due date of subsequent scheduled payments on the loan, unless Lender agrees in writing to any such delay or change, but may reduce the number of such payments Borrower understands if the terms of this paragraph provide for a prepayment penalty, such terms do not apply to a renewal or refinancing of this loan by Lender, nor to the prepayment of this loan from the proceeds of any loan made in the future by Lender to Borrower No prepayment charge will be collected if the loan is accelerated due to Borrower's default or due to Lender's exercise of any due on sale clause in the Deed of Trust securing this obligation

SECURITY AGREEMENT

[X] A If this box is checked, this loan is unsecured

[ ] B If this box is checked, to secure the payment and performance hereof, Borrower gives to Lender a security interest under the Uniform Commercial Code in any property for which a description is completed below and all parts and equipment now or later added to the property and any proceeds of the property, all of which will be called "Property" See below for additional terms applicable to this security interest

1 Motor vehicle/mobile home

Make, No Cylinders	Year/Model	Model No Or Name	Body Type	Identification Number

2 Other Property

OWNERSHIP OF PROPERTY Borrower represents that the Property is owned by Borrower free and clear of all liens and encumbrances except those of which Borrower has informed Lender in writing Prior to any default, Borrower may keep and use the Property at Borrower's own risk, subject to the provisions of the Uniform Commercial Code If the property includes a motor vehicle or a mobile home, Borrower will, upon request, deliver the certificate of title to the motor vehicle or mobile home to Lender

USE OF PROPERTY Borrower will not sell, lease, encumber, or otherwise dispose of the Property without Lender's prior written consent Borrower will keep the Property at Borrower's address (as shown on page 1) unless Lender has granted permission in writing for the Property to be located elsewhere The Property will be used only in the state in which Borrower lives unless the Property is a motor vehicle, in which case it will be used outside the state only in the course of Borrower's normal use of the Property Borrower will not use or permit the use of the Property for hire or for illegal purposes

TAXES AND FEES Borrower will pay all taxes, assessments, and other fees payable on the Property, this Disclosure Statement, Note and Security Agreement, or the loan If Borrower fails to pay such amounts, Lender may pay such amounts for Borrower and the amounts paid by Lender will be added to the unpaid balance of the loan

INSURANCE If Borrower purchases any insurance at Lender's office, Borrower understands and acknowledges that (1) the insurance company may be affiliated with Lender, (2) Lender's employee(s) may be an agent for the insurance company, (3) such employee(s) is not acting as the agent, broker or fiduciary for Borrower on this loan, but may be the agent of the insurance company, and (4) Lender or the insurance company may realize some benefit from the sale of that insurance If Borrower fails to obtain or maintain any required insurance or fails to designate an agent through whom the insurance is to be obtained, Lender may purchase such required insurance for Borrower through an agent of Lender's choice, and the amounts paid by Lender will be added to the unpaid balance of the loan If any refund of unearned premium is paid to Lender upon termination of insurance, Lender will (1) apply it to the Borrower's outstanding loan balance, (2) issue a check for the refund to the Borrower, or (3) apply it as may be otherwise required by state law Any amount of such refund in excess of the outstanding balance of this Note will be paid to the Borrower

FINANCING STATEMENTS Borrower will sign all financing statements, continuation statements, security interest filing statements, and similar documents with respect to the Property at Lender's request

LATE CHARGE If Borrower fails to pay any scheduled payment within 10 days of its due date, Borrower agrees to pay a late charge of $ 15.00

BAD CHECK CHARGE If Lender receives a bad check from Borrower for payment, Lender may collect a bad check charge of $25.00 dollars

LOAN CHARGES If a law that applies to this loan and that sets maximum loan charges, is finally interpreted so that the interest or other loan charges collected or to be collected in connection with this loan exceed the permitted limits, then (i) any such loan charge will be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected from Borrower that exceeded permitted limits will be refunded to Borrower Lender may choose to make this refund by reducing the principal owed under this loan or by making a direct payment to Borrower If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge

DEFAULT Borrower will be in default if

1 Borrower does not make any scheduled payment on time,
2 Borrower is (or any other person puts Borrower) in bankruptcy, insolvency or receivership,
3 Any of Borrower'screditors attempts by legal process to take andkeep any property of Borrower, including the Property securing this loan,
4 Borrower fails to fulfill any promise made under this agreement, or
5 A default occurs under any mortgage or deed of trust on the Borrower's real property

Subject to Borrower's right to any notice of default, right to cure default, and any other applicable laws, if Borrower defaults, Lender may require Borrower to repay the entire unpaid Principal balance and any accrued interest at once Lender's failure to exercise or delay in exercising any of its rights when default occurs does not constitute a waiver of those or any other rights under this agreement Lender may exercise its option to accelerate during any default by Borrower regardless of any prior forbearance If this debt is referred for collection to an attorney not a salaried employee of Lender, Lender shall be entitled to collect all reasonable costs and expenses of collection, including, but not limited to, court costs and reasonable attorney's fees as permitted by law

EFFECTS OF DEFAULT If Borrower Defaults, Lender is authorized to terminate any Insurance purchased through the Lender's office and (1) apply it to the Borrower's outstanding loan balance, (2) issue a check for the refund to the Borrower, or (3) apply it as may be otherwise required by state law Borrower will also deliver the Property to Lender or, upon Lender's demand, assemble the Property and make it available to Lender at a reasonably convenient place Lender may, without previous notice or demand and without legal process, peacefully enter any place where the Property is located and take possession of it
The property may be sold with notice at a private or public sale at a location chosen by Lender At any such public sale, Lender may purchase the Property The proceeds of the sale, minus the expenses incurred in collecting on the debt after the default, will be credited to the unpaid balance of Borrower's loan Expenses to be deducted from the proceeds of the sale include the cost of taking, removing, holding, repairing, and selling the Property, attorney's fees that do not exceed 15% of the unpaid balance upon referral to an attorney who is not Lender's employee, and the cost of paying off and removing any superior liens or claims on the Property If Borrower has left other property in the repossessed Property, lender may hold such property temporarily for Borrower without any responsibility or liability for the property

Notice of the time and place of a public sale or notice of the time after which a private sale will occur is reasonable if mailed to the Borrower's address at least five (5) days before the sale The notice may be mailed to Borrower's last address shown on Lender's records

Borrower's Initials [redacted] ______

Original (Branch) Copy (Customer) age 2 of 3

Source: Denver County Court records as acquired by CRL.

D.1. OneMain Financial Full Loan Document (Continued)

[redacted] 12/16/2016

LAW THAT APPLIES Colorado law and federal law, as applicable, govern this Disclosure Statement, Note and Security Agreement If any part is unenforceable, this will not make any other part unenforceable In no event will Borrower be required to pay interest or charges in excess of those permitted by law

OTHER RIGHTS Lender may accept payments after maturity or after a default without waiving its rights with respect to any subsequent default in payment Borrower agrees that Lender may extend time for payment after maturity without notice The terms of this agreement can be waived or changed only in a writing signed by Lender

Where the context requires, singular words may be read in the plural and plural words in the singular, and references to the masculine gender may be read to apply to the feminine gender

OTHER TERMS Each Borrower under this Disclosure Statement, Note and Security Agreement, if more than one, agrees that Lender may obtain approval from one Borrower to change the repayment terms and release any Property securing the loan, or add parties to or release parties from this agreement, without notice to any other Borrower and without releasing any other Borrower from his responsibilities Lender does not have to notify Borrower before instituting suit if the note is not paid, and Lender can sue any or all Borrowers upon default by any Borrower

Borrower, endorsers, sureties and guarantors, to the extent permitted by law, severally waive their right to require Lender to demand payment of amounts due, to give notice of amounts that have not been paid, to receive notice of any extensions of time to pay which Lender allows to any Borrower and to require Lender to show particular diligence in bringing suit against anyone responsible for repayment of this loan, and additionally, waive benefit of homestead and exemption laws now in force or later enacted, including stay of execution and condemnation, on any Property securing this loan and waive the benefit of valuation and appraisement

This Disclosure Statement, Note and Security Agreement shall be the joint and several obligation of all makers, sureties, guarantors and endorsers and shall be binding upon them, their heirs, successors, legal representatives and assigns

If any part of the Disclosure Statement, Note and Security Agreement and, if applicable, the Mortgage or Deed of Trust and accompanying Itemization of Amount Financed and Arbitration Agreement is unenforceable, this will not make any other part unenforceable

REFINANCING The overall cost of refinancing an existing loan balance may be greater than the cost of keeping the existing loan and obtaining a second loan for any additional funds Borrower wishes to borrow

AUTHORIZATION TO USE CREDIT REPORT By signing below, Borrower authorizes Lender to obtain, review and use information contained in the Borrower's credit report in order to determine whether the Borrower may qualify for other products and services marketed by Lender This authorization terminates when Borrower's outstanding balance due under this Disclosure Statement, Note and Security Agreement is paid in full Borrower may cancel such authorization at any time by writing the following Transaction Processing, PO Box 70911, Charlotte, NC 28272-0911 In order to process Borrower's request, Lender must be provided Borrower's full name, address and account number

ARBITRATION. Borrower, Non-Obligor(s) (if any) and Lender have entered into a separate Arbitration Agreement on this date, the terms of which are incorporated and made a part of this Disclosure Statement, Note and Security Agreement by this reference

The following notice applies only if this box is checked ☐

NOTICE

ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE DEBTOR COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE PROCEEDS HEREOF. RECOVERY HEREUNDER BY THE DEBTOR SHALL NOT EXCEED AMOUNTS PAID BY THE DEBTOR HEREUNDER.

By signing below, Borrower agrees to the terms contained herein, acknowledges receipt of a copy of this Disclosure Statement, Note and Security Agreement and, if applicable, the Mortgage or Deed of Trust and of the accompanying Itemization of Amount Financed and Arbitration Agreement, and authorizes the disbursements stated therein

[redacted]

[redacted] (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[redacted]

ONEMAIN FINANCIAL GROUP, LLC

By [redacted]
(Name and Title) 12/16/2016 15:49:34

SECURITY INTEREST OF NONOBLIGOR Borrower only is personally liable for payment of the loan Nonobligor is liable and bound by all other terms, conditions, covenants, and agreements contained in this Disclosure Statement, Note and Security Agreement, including but not limited to the right and power of Lender to repossess and sell the Property securing this loan, in the event of default by Borrower in payment of this loan

__________ (Seal) ______ __________ (Seal) ______
Signature Date Signature Date

Original (Branch) Copy (Customer) Page 3 of 3

Source: Denver County Court records as acquired by CRL.

D.2 Lendmark Financial Services Full Loan Document

DocuSign Envelope ID: D4D67B17-0995-49FB-8742-0BB595FABEB9

Copy of the Electronic Original® document managed by the eCore® On Demand (EOD™) S

DISCLOSURE STATEMENT, PROMISSORY NOTE AND SECURITY AGREEMENT

DATE: 11/30/2020

LOAN AMOUNT: [illegible] [redacted]

LENDER/SECURED PARTY: (you, your)	BORROWER(S)/DEBTOR(S): (I, me, my, mine, we, our, and ours)	ADDRESS FOR BORROWER(S):
LENDMARK FINANCIAL SERVICES, LLC 8500 W CRESTLINE AVE UNIT G8 LITTLETON, CO 80123	[redacted]	[redacted]

FEDERAL TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of my credit as a yearly rate.	The dollar amount the credit will cost me.	The amount of credit provided to me or on my behalf.	The amount I will have paid after I have made all payments as scheduled.
20.97%	$5,439.14	$11,008.01	$16,447.15

My payment schedule will be:

Number of Payments	Amount of Payments	When Payments are Due	Final Payment Date (Maturity Date)
1	429.08	First Payment Date: 01/14/2021	12/14/2024
47	340.81	Monthly Beginning 02/14/2021	

Security: I am giving a security interest in:

☐ Consumer goods ☒ Motor vehicle ☐ Unsecured

☐ Other (describe): ____________

Late Charge: I agree to pay a late charge on any installment not paid in full within ten (10) days after it is due, in the amount of fifteen dollars ($15.00).

Prepayment: If I pay off early, I will not have to pay a penalty.

I can see my contract documents for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

ITEMIZATION OF THE AMOUNT FINANCED

Amount Given to Me Directly

1. $250.00
2. $0.00

Amount Paid on My Prior Account

3. $8,721.11

Amount Paid to Others on My Behalf

4. $0.00 To Allied Solutions, LLC. for GAP Debt cancellation contract*
5. $406.57 To Insurance Company for Life Ins.*
6. $583.36 To Insurance Company for Accident & Health Ins.*
7. $0.00 To Insurance Company for Personal Property Ins.*
8. $1,046.97 To Insurance Company for Involuntary Unemployment Ins.*
9. $0.00 To Insurance Company for Vehicle Single Interest Ins.*
10. $0.00 To Public Official for Recording Fees
11. $0.00 To Public Official for Lic/Title/Reg Fees
12. $0.00 Sum of Additional Amounts Paid to Others
13. $11,008.01 Amount Financed (Sum of 1-12)

Additional Amounts Paid To Others

(a) ______ To ______
(b) ______ To ______
(c) ______ To ______
(d) ______ To ______
(e) ______ To ______
(f) ______ To ______
(g) ______ To ______
(h) ______ To ______
(i) ______ To ______
(j) ______ To ______

$25.00 Prepaid Finance Charge (Origination Fee)

*Lender may retain a portion of these amounts.

NOTE: I, the undersigned Borrower, jointly and severally, promise to pay to the order of Lender, at its office, the Loan Amount (Amount Financed plus Prepaid Finance Charge shown above) plus interest from the date hereof on the unpaid balance of the Loan Amount, from time remaining unpaid, at the interest rate(s) described below, until paid in full, according to the payment schedule shown above. Each consecutive payment is due on the same day of each calendar month.

RATE OF INTEREST: Interest accrues on a daily basis at a rate of 20.86% per annum.

POST-MATURITY INTEREST: Interest will continue to accrue at the Rate of Interest on the balance of this note not paid at maturity, including maturity by acceleration.

SECURITY AGREEMENT: I grant you a security interest in the Property described below. The rights I am giving you in this Property and the obligations this document secures are defined on page 2.

☒ (a) Motor Vehicle:

YEAR	MAKE	MODEL	BODY TYPE	SERIAL NO. / IDENTIFICATION
2008	Ford	Escape	Utility 4D XLT 4WD 3.0L V6	[redacted]

☐ (b) Consumer Goods: See "Personal Property List" which is incorporated herein by reference thereto.

☐ (c) Other (describe): ____________

I agree to the terms set out on Page 1 and Page 2 of this document. I have received a completely filled in copy of this document on today's date.

THIS DOCUMENT IS EXECUTED UNDER SEAL BY THE BORROWER(S) ON THE DATE ABOVE WRITTEN.

[redacted]

Borrower/Debtor (SEAL) Borrower/Debtor (SEAL)

Borrower/Debtor (SEAL) Borrower/Debtor (SEAL)

The undersigned is/are not personally liable for this loan but grant(s) a security interest in the Property described above as security for this loan and agree to be bound by the provisions of this document insofar as they relate to the Property.

(SEAL) (SEAL)

SEE PAGE 2 FOR ADDITIONAL TERMS AND CONDITIONS

Source: Denver County Court records as acquired by CRL.

D.2 Lendmark Financial Services Full Loan Document (Continued)

DocuSign Envelope ID: D4D67B17-0995-49FB-8742-0BB595FABEB9

ADDITIONAL TERMS APPLICABLE TO THE PROMISSORY NOTE AND SECURITY AGREEMENT

DEFINITIONS – "I," "me" or "my" means each Borrower who signs this note and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this note (together referred to as "us"). "You" or "your" means the Lender and its successors and assigns.

APPLICABLE LAW – This note and security agreement securing this note will be governed by the laws of the State of Colorado. The federal Truth-in-Lending disclosures on page 1 are disclosures only and are not intended to be terms of this agreement. The fact that any part of this note cannot be enforced will not affect the rest of this note. Any change to this note or any agreement securing this note must be in writing and signed by you and me.

ASSUMPTION – The note and security agreement cannot be assumed by someone buying the Property from me. This will be true unless you agree in writing to the contrary. Without such an agreement, if I try to transfer any interest in the Property, I will be in default under the note and security agreement.

ADDITIONAL TERMS OF THE PROMISSORY NOTE

PAYMENTS – Each payment shall be applied first to late charges, then to interest (accrued to date of payment), then to the unpaid principal balance and then to any other charges due hereunder. No late charge will be assessed on any payment when the only delinquency is due to late fees assessed on earlier payments and the payment is otherwise a full payment.

PREPAYMENT – I may prepay this note in whole or in part at any time. If I prepay in part, I must still make each later payment in the original amount as it becomes due until this note is paid in full.

USURY – The interest rate and other charges on this note will never exceed the highest rate or charge allowed by law for this note.

LATE CHARGE - I agree to pay a late charge on any installment not paid in full within ten (10) days after it is due, in the amount of fifteen dollars ($15.00).

DEFAULT – I will be in default on this note and security agreement if any one or more of the following occurs:

(a) I fail to make a payment in full when due;
(b) I cause you to have a reasonable belief that the prospect of payment or performance or realization on collateral is significantly impaired;
(c) I fail to comply with any other promise that I have made in this note or security agreement;
(d) I sell or transfer any security for this note without your prior consent;
(e) I fail to register title to security without your consent;
(f) I make any statement or provide any financial information that is untrue or inaccurate in order to obtain the loan evidenced by this note; or
(g) I fail to maintain any insurance that you may require.

If any of us are in default on this note or security agreement, you may exercise your remedies against any or all of us.

REMEDIES – If I am in default on this note or security agreement, you may use any of the remedies listed below, subject to any applicable right to cure period.

(a) Make unpaid principal, earned interest and all other agreed charges I owe you under this note immediately due;
(b) Demand more security or new parties obligated to pay this note (or both) in return for not using any other remedy;
(c) Make a claim for any and all insurance benefits or refunds that may be available on my default;
(d) Use any remedy you have under state or federal law; and
(e) Use any remedy given to you in any agreement securing this note.

By choosing any one or more of these remedies you do not give up your right to use another remedy later. By deciding not to use any remedy should I be in default, you do not give up your right to consider the event a default if it happens again.

ACCELERATION OF MATURITY – In the event of default consisting only of my failure to make a payment, you cannot accelerate the maturity of the unpaid balance nor take possession or otherwise enforce your security interest until twenty (20) days after you have given me written notice of my right to cure in person or by mail at my last known address. During that 20 day period, I may cure the default and restore my rights under this agreement. You must provide me with notice of my right to cure after I have been in default for ten (10) days. If you have given me a right to cure notice once, I will not have a further right to cure for subsequent defaults that occur within the following twelve (12) months.

WAIVER – I waive (to the extent permitted by law) demand, presentment, protest, notice of dishonor and notice of protest.

MLA SAVINGS CLAUSE: Nothing contained herein, which constitutes a waiver of a right to legal recourse under any otherwise applicable provision of State or Federal law, shall apply to an individual who is a 'Covered Borrower' as defined by the Department of Defense's Regulation (32 C.F.R. §232) implementing the Military Lending Act (10 U.S.C. §987) on the date of this loan agreement.

DELAY IN ENFORCEMENT – You may delay enforcing any of your rights under this note and security agreement without losing them.

OBLIGATIONS INDEPENDENT – I understand that my obligation to pay this note is independent of the obligation of any other person who has also agreed to pay it. You may, without notice, release me or any of us, give up any right you may have against any of us, extend new credit to any of us, or renew or change this note one or more times and for any term, and I will still be obligated to pay this note. You may, without notice, fail to perfect your security interest in, impair, or release any security and I will still be obligated to pay this note.

PURCHASE MONEY LOAN – If this is a Purchase Money Loan, you may include the name of the seller on the check or draft for this loan. "Purchase Money Loan" means any loan the proceeds of which, in whole or in part, are used to acquire any property securing the note and all extensions, renewals, consolidations and refinancings of such note.

BAD CHECK CHARGE – In the event I make payment by check or other instrument or authorization that is returned or dishonored by the institution upon which it is drawn, I agree to pay a bad check charge in the amount of twenty-five dollars ($25.00).

COLLECTION COSTS AND ATTORNEYS' FEES – In the event of default, I agree to pay 1) the reasonable expenses incurred in realizing on your security interest; 2) reasonable attorneys' fees, which are not in excess of fifteen percent (15%) of the unpaid debt, when you refer the debt to an attorney who is not your salaried employee for collections; and 3) any additional fee as may be directed by a court of law.

ADDITIONAL TERMS OF THE SECURITY AGREEMENT

SECURED OBLIGATIONS – This security agreement secures the note and all extensions, renewals, refinancings and modifications of the note and any future advances by You. This security agreement will last until it is discharged in writing.

PROPERTY – The word "Property," as used here, includes all property that is listed in the security agreement on page 1. If a general description is used, the word Property includes all my property fitting the general description. Property also means all benefits that arise from the described Property (including all proceeds, insurance benefits, payments from others, interest, dividends, stock splits and voting rights). It also means property that now or later is attached to, is a part of, or results from property.

OWNERSHIP AND DUTIES TOWARD PROPERTY – I represent that I own all the Property. I will defend the Property against any other claim. I agree to do whatever you require to perfect your interest and keep your priority. I will not do anything to harm your position.

I will keep the Property in my possession (except if pledged and delivered to you). I will keep it in good repair and use it only for its intended purposes. I will keep it at my address unless we agree otherwise in writing.

I will not try to sell or transfer the Property, or permit the Property to become attached to any real estate, without your written consent. I will pay all taxes and charges on the property as they become due. I will inform you of any loss or damage to the Property. You have the right of reasonable access in order to inspect the Property.

INSURANCE – I agree to buy insurance on the property against the risks and for the amounts you require. I will name you as loss payee on any such policy, you may require added security on the note if you agree that insurance proceeds may be used to repair or replace the Property. I agree that if the insurance proceeds do not cover the amounts I still owe you, I will pay the difference I will buy the insurance from a firm authorized to do business in Colorado. The firm will be reasonably acceptable to you. I will keep the insurance until all debts secured by this agreement are paid.

DEFAULT AND REMEDIES – If I am in default, in addition to the remedies listed in the note portion of this document you may seek the following remedies after giving notice and waiting until the expiration of the right to cure period where applicable:

(a) Pay taxes or other charges, or purchase any required insurance, if I fail to do these things (but you are not required to do so). You may add the amount you pay to this note and accrue interest on that amount at the interest rate disclosed on page 1 until paid in full;
(b) Require me to gather the Property and any related records and make it available to you in a reasonable fashion; and
(c) Take immediate possession of the Property, but in doing so you may not breach the peace or unlawfully enter onto my premises. You may sell, lease or dispose of the Property as provided by law. You may apply what you receive from the sale of the Property to your expenses and then to the debt. If what you receive from the sale of the Property is less than what I owe you, I agree to pay the deficiency plus interest at the Post-Maturity Interest rate on Page 1 (to the extent permitted by law).

I agree that when you must give notice to me of your intended sale or disposition of the property, the notice is reasonable if it is sent to me at my last known address by first class mail 10 days before the intended sale or disposition. I agree to inform you in writing of any change in my address.

FILING – A copy of this security agreement may be used as a financing statement when allowed by law.

FILING FEES – I agree to pay all fees required to record, continue, and terminate any security interest or lien granted to you.

ELECTRONIC RECORD - I understand and agree that you may convert this note into an electronic record for document retention and other purposes (the "Electronic Record"). I consent to the conversion of this note into the Electronic Record and agree that the Electronic Record will be the original version of this note and effective, valid and enforceable for all reasons under applicable law. I also agree that sending me a printout of the Electronic Record will satisfy the requirements of applicable law regarding the return of my original note after satisfaction of my obligations under the note.

CALLS AND MESSAGES: I understand and agree that you, including your affiliates, assigns, service providers and agents, (collectively, the "Messaging Parties") may use automated telephone dialing, text messaging systems and electronic mail to provide messages to me or contact me about scheduled payments, missed payments and with other important information regarding this agreement or my relationship with the Messaging Parties. Telephone calls may include a pre-recorded message and may be played by a machine automatically when the telephone is answered, whether answered by me, someone else or a voice mail or answering machine. I authorize the Messaging Parties to call or send a text message to any telephone number I have given the Messaging Parties or I give to a Messaging Party in the future, including telephone number(s) set forth in the Application for Credit submitted in connection with this note and security agreement. I also give the Messaging Parties permission to communicate such information to me by e-mail. I understand that, when I receive such calls, texts or e-mails, I may incur a charge from the company that provides me with telecommunications, wireless and/or internet services. I agree that the Messaging Parties will not be liable to me for any fees, inconvenience, annoyance or loss of privacy in connection with such calls or e-mails. I understand that anyone with access to my telephone, answering machine or email account may listen to or read the messages, notwithstanding the Messaging Parties efforts to communicate only with me. **This authorization is part of our bargain concerning this extension of credit and this agreement and understand you do not intend it to be revocable. However, to the extent you are required by applicable law to allow me to revoke my consent to these automatic reminders, I may do so by calling 1-866-413-8340 or submitting a request at www.lendmarkfinancial.com under the Contact Us tab.**

If this transaction contains a fee or premium for guaranteed automobile protection, all holders and assignees of this consumer credit transaction are subject to all claims and defenses which the consumer could assert against the original creditor resulting from the consumer's purchase of guaranteed automobile protection.

The following Notice applies only if the proceeds of this loan have been applied in whole or substantial part to the purchase of goods and/or services from a person who, in the ordinary course of this business sells such goods and/or services to consumers and borrower has been referred to the Lender by the Seller, or Lender is affiliated with the Seller by common control, contract, or business arrangement.

NOTICE: ANY HOLDER OF THIS CONSUMER CREDIT CONTRACT IS SUBJECT TO ALL CLAIMS AND DEFENSES WHICH THE BORROWER COULD ASSERT AGAINST THE SELLER OF GOODS OR SERVICES OBTAINED WITH THE

Source: Denver County Court records as acquired by CRL.

Endnotes

[1] See Colorado House Bill (HB) 15-1390; Colorado Senate Bill (SB) 16-185. In 2021, consumer finance company lenders proposed to increase interest rates on all supervised installment loans to 36% APR on all loan sizes.

[2] Financial Health Pulse® 2022 U.S. Trends Report, Financial Health Network (finhealthnetwork.org).

[3] Ibid.

[4] Glottmann, S., Rios, C., and Smith, P. (September 2022.) *Unsafe Harbor: The Persistent Harms of High-Cost Installment Loans*. Center for Responsible Lending. https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-safe-harbor-low-sep2022.pdf

[5] Predatory Installment Lending in the States (2022), National Consumer Law Center. https://www.nclc.org/resources/predatory-installment-lending-in-the-states-2022/

[6] The maximum finance charges are set out in CRS § 5-2-201, which, in relevant part, provides:

(1) With respect to a consumer loan other than a supervised loan, including a revolving loan, a lender may contract for and receive a finance charge calculated according to the actuarial method not exceeding twelve percent per year on the unpaid balance of the amount financed.

(2) With respect to a supervised loan or a consumer credit sale, except for a loan or sale pursuant to a revolving account, a supervised lender or seller may contract for and receive a finance charge, calculated according to the actuarial method, not exceeding the equivalent of the greater of either of the following:

(a) The total of:

(I) Thirty-six percent per year on that part of the unpaid balances of the amount financed that is one thousand dollars or less;

(II) Twenty-one percent per year on that part of the unpaid balances of the amount financed that is more than one thousand dollars but does not exceed three thousand dollars; and

(III) Fifteen percent per year on that part of the unpaid balances of the amount financed that is more than three thousand dollars; or

(b) Twenty-one percent per year on the unpaid balances of the amount financed.

Consumer loans are "loans made primarily for a personal, family or household purpose." CRS § 5-1-301(15)(a)(II). CRS § 5-1-301(15)(a)(IV) permits consumer loans up to $75,000.

For loans of $3,000 or less, the law sets a maximum loan term of thirty-seven months if the principal is more than $1,000, and twenty-five months if the principal is $1,000 or less. CRS § 5-2-308.

[7] Colorado Department of Law, *Colorado Uniform Consumer Credit Code: Annual Report Composites,* 2006–2015. https://coag.gov/office-sections/consumer-protection/consumer-credit-unit/uniform-consumer-credit-code/general-information/annual-report-composites/

[8] OneMain Financial ("OneMain") is headquartered in Delaware and has 1,400 retail branches in 44 states. Its parent company, OneMain Holdings, is a publicly traded company. OneMain Holdings, Inc. (2021, December 31). https://s23.q4cdn.com/416720971/files/doc_financials/2021/ar/Final-2021-Annual-Report1.pdf

[9] Lendmark is a privately held company headquartered in Georgia with 400 branches operating in 21 states. Lendmark Financial Services, *About Us*. https://www.lendmarkfinancial.com/about#:~:text=Today%2C%20with%20over%20400%20branches,a%20difference%20in%20people's%20lives.

[10] The correlation coefficient between the amount borrowed and loan terms across all 67 loans is 0.71. Correlation coefficients range between -1 and 1, and the 0.6-0.8 range is typically considered a strong positive correlation.

[11] OneMain Holdings, Inc. Form 10-K for the fiscal year ended December 31, 2021 at p. 37 ("At December 31, 2021, we had approximately 2.34 million personal loans totaling $19.2 billion of net finance receivables, of which 52% were secured by titled property.") https://d18rn0p25nwr6d.cloudfront.net/CIK-0001584207/dc88ecd8-a48b-4ef6-b1e5-2acc555352f4.pdf

[12] See https://coag.gov/app/uploads/2022/11/Active-SUP-11-11-22.pdf (listing supervised lenders in Colorado).

[13] Predatory Installment Lending in the States (2022), National Consumer Law Center. https://www.nclc.org/resources/predatory-installment-lending-in-the-states-2022/

[14] Colorado Revised Statute § 5-2-201.

[15] OneMain Financial, *Benefits of Credit Insurance*. https://www.onemainsolutions.com/products/credit-insurance ; Lendmark Financial Services, *Credit Insurance*. https://www.lendmarkfinancial.com/articles/blog/credit-insurance-tips

[16] https://d18rn0p25nwr6d.cloudfront.net/CIK-0001584207/dc88ecd8-a48b-4ef6-b1e5-2acc555352f4.pdf at p. 4 and p. 7.

[17] https://d18rn0p25nwr6d.cloudfront.net/CIK-0001584207/dc88ecd8-a48b-4ef6-b1e5-2acc555352f4.pdf at p. 23.

[18] ("We also offer optional membership plans from an unaffiliated company.") 0001584207-22-000005 (d18rn0p25nwr6d.cloudfront.net) at 37.

[19] "Brittany's" OneMain loan agreement has a clause that states: "Voluntary Credit Insurance/Group Debtor Insurance. As used in this Agreement, the term 'credit insurance' includes credit life insurance, credit disability insurance, credit involuntary unemployment insurance, and the term 'credit life insurance' includes group debtor life insurance, where offered. Lender's affiliate may provide the credit insurance that I voluntarily select. Lender and/or its affiliates expect to profit from my purchase of voluntary credit insurance and I consent to this."

"Lewis's" OneMain agreement, dated 2016, appears to be an earlier version of the OneMain standard agreement. It states: "Optional Insurance: Credit life insurance, credit disability insurance, involuntary unemployment insurance, and any other insurance products that are not required by the paragraph above are optional to Borrower and are not required in order to obtain credit. If Borrower desires voluntarily to purchase any of these optional insurance products, Borrower must sign below and in other required documents, and will receive an insurance certificate or policy detailing the coverage terms and conditions that apply to the insurance. Borrower should refer to the terms and conditions contained in the applicable insurance certificate or policy issued for the exact description of benefits and exclusions."

[20] Renewals are an important source of new loan volume for OneMain, as historically about half of its customers have renewed their loan at least once during the loan's life. https://www.spglobal.com/_assets/documents/ratings/research/12134689.pdf, pp. 15–16.

CRL
Center for Responsible Lending

www.responsiblelending.org

The Center for Responsible Lending (CRL) is a non-partisan, nonprofit research and policy advocacy organization working to promote financial fairness and economic opportunity for all, end predatory lending, and close the racial wealth gap. CRL's expertise gives it trusted insight to evaluate the impact of financial products and policies on the wealth and economic stability of Asian, Black, Latino, rural, military, low-wage, low-wealth, and early-career workers and communities.

CRL is an affiliate of Self-Help, one of the nation's largest nonprofit community development financial institutions. Our work leverages the strength of partnerships with national and local consumer and civil rights organizations.

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