

Opportunity Financial, also known as OppFi, is a consumer lending company based in Chicago, Illinois that offers personal installment loans. Their marketing suggests they are providing an essential service to the credit and income constrained; their products, however, carry triple-digit Annual Percentage Rates (APRs). Public filings reveal a business model built around [high levels of delinquency and default](#). According to its website, OppFi's stated mission is to "empower everyday consumers to rebuild their financial health," but the company is a legacy subprime lender. OppFi uses a [rent-a-bank](#) scheme to evade consumer protections and charge customers triple-digit interest rates on its personal installment loan product. Evidence of this can be seen in OppFi's own loan documents, filings with the U. S. Securities and Exchange Commission (SEC), and complaints submitted to the Consumer Financial Protection Bureau (CFPB).

OppLoans Sample Loan Document

Loan terms for OppFi's product, OppLoans, can be found in the promissory note created at the initiation of a loan. Below are portions of the first and second pages of a sample promissory note from OppFi in 2022.¹

The original amount financed is \$1,700, with an Annual Percentage Rate (APR) of approximately 160%. The finance charge is about \$2,821, for a total repayment amount of \$4,521, assuming there are no late fees or additional charges.

OppFi partners with Finwise Bank, a bank chartered in Utah, to provide the loan. In many states with rate caps on personal loans, this partnership would allow OppFi to evade state interest rate limits.

Loan Effective Date 09/20/2022

LENDER: FinWise Bank ADDRESS: C/O Opportunity Financial, LLC 130 E Randolph St, Suite 3400 CITY: Chicago STATE: IL ZIP CODE: 60601 PHONE: (800) 990-9130

BORROWER: [REDACTED] MAIN PHONE: [REDACTED] WORK PHONE: [REDACTED] MOBILE PHONE: [REDACTED]

ADDRESS: [REDACTED] CITY: [REDACTED] STATE: [REDACTED] ZIP CODE: [REDACTED]

FEDERAL TRUTH IN LENDING DISCLOSURE STATEMENT

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	AMOUNT FINANCED	TOTAL OF PAYMENTS
159.56%	\$2,821.60	\$1,700.00	\$4,521.60

Your payment Schedule will be:

Payment Number	Payment Amounts	Payment Dates	Payment Number	Payment Amounts	Payment Dates
1	\$113.04	09/30/2022	21	\$113.04	07/07/2023
2	\$113.04	10/14/2022	22	\$113.04	07/21/2023
3	\$113.04	10/28/2022	23	\$113.04	08/04/2023
4	\$113.04	11/11/2022	24	\$113.04	
5	\$113.04	11/25/2022	25	\$113.04	
		12/09/2022	26	\$113.04	
		12/23/2022	27	\$113.04	
		01/06/2023	28	\$113.04	
		01/20/2023	29	\$113.04	
		02/03/2023	30	\$113.04	
		02/17/2023	31	\$113.04	
12	\$113.04	03/03/2023	32	\$113.04	
13	\$113.04	03/17/2023	33	\$113.04	
14	\$113.04		34	\$113.04	
15	\$113.04		35	\$113.04	
16	\$113.04		36	\$113.04	
17	\$113.04		37	\$113.04	
18	\$113.04		38	\$113.04	
19	\$113.04		39	\$113.04	
20	\$113.04		40	\$113.04	

PREPAYMENT: You may pay your loan early without any prepayment penalty. You may be charged a fee. SECURITY: This loan may be secured by your Payment Authorization.

Itemization of Amount Financed:

- Amount provided directly to you \$724.16
- Amount paid on your existing loan (Existing Payoff Amount) [REDACTED] \$975.84

HIGH COST CREDIT DISCLOSURE: This is an expensive form of credit. Our loans are designed to help consumers meet short term borrowing needs and NOT intended as a long term credit solution. Alternative forms of credit may be less expensive and more suitable for your financial needs. You should compare the cost of other options with this loan before executing this Note. Paying late or making partial payments may increase the amount of the finance charges that you pay and could increase the term of your loan.

ARBITRATION DISCLOSURE: This Promissory Note includes an Arbitration Clause (the "Arbitration Clause"). In the event of a dispute related to this loan, your ability to have the dispute resolved in court is limited. You can "opt out" of the Arbitration Clause as set forth below. Please review the Arbitration Clause carefully before signing this Note.

The payment schedule reflects 40 bi-weekly payments. The loan will take 20 months to pay off.

Of the \$1,700 financed, only \$724 was disbursed to the borrower. The remaining funds were applied to an existing loan.

The loan agreement contains a "high cost credit disclosure" and states that OppLoans are meant to be short-term loans. However, this loan is a refinanced loan that is extending the period of the borrower's indebtedness from a prior loan. Moreover, there is little evidence that high-cost loans "empower everyday consumers to build better financial health," as OppFi misleadingly claims on its website.

OppFi will make three attempts to withdraw payments from consumer accounts, causing overdraft and NSF fees to accumulate.

Changes to Payment Schedule. You authorize us to initiate Automated Payments in accordance with any modified payment arrangement to which you and we agree. We may adjust the Matur Date Automated Payment for any decreased amount you owe, based on your payment history, or for any increased amount you instruct us to debit.

Additional Payments. If any amount under this Note remains outstanding after the Automated Payment on the Maturity Date, and you do not instruct us to debit such amount on the Maturity Date, then you authorize us to initiate one or more additional Automated Payments after the Maturity Date and until your obligations are paid in full at the same payment frequency as reflected in your Payment Schedule. No such Automated Payment shall exceed the lesser of (a) the final scheduled payment amount set forth in your Payment Schedule, or (b) the remaining balance, including fees, charges, and interest. You further authorize us to initiate separate electronic payments from the Bank Account for any other amounts due under this Note.

Termination. You understand and acknowledge that you may terminate this authorization by notifying us at (800) 990-9130 or info@opplans.com or by mail to OppLoans, ATTN: Compliance Department, One Prudential Plaza, 130 E Randolph St, Suite 3400, Chicago, IL 60601 at least three (3) business days before you wish to terminate this authorization.

Range of Debits and Notice of Variation. You have the right to receive notice of all regularly recurring and varying Automated Payments. Unless otherwise instructed by you, each regularly recurring Automated Payment will be in an amount ranging from \$0.01 to one-and-a-half (1.5) times the scheduled payment amount set forth in the Payment Schedule. You may elect to receive advance notice of the date and amount of each regularly recurring Automated Payment that varies from the scheduled payments if you notify us by communicating with OppLoans at (800) 990-9130, or at One Prudential Plaza, 130 E Randolph St, Suite 3400, Chicago, IL 60601. If an Automated Payment will fall outside the specified range above, then we will electronically notify you of the amount of the Automated Payment and the date on or after which the Automated Payment will be initiated, at least ten (10) calendar days in advance.

Other Payment Arrangements. If we agree, you may enter into a modified payment arrangement that may change certain terms of this authorization. If you and we agree to change any terms of this authorization, we will send you written confirmation of such change, and all provisions of this authorization not changed will remain in full force and effect. To the extent you and we agree to a modified payment arrangement, your obligations under this authorization will remain in full force and effect as applicable to such payment arrangement. Unless otherwise specified in the terms of your modified payment arrangement, you complete your obligations, or we terminate a modified payment arrangement, then you authorize us to initiate Automated Payments from the Bank Account on the dates and in the amounts set forth in your original Payment Schedule in accordance with this authorization and if needed, extending beyond your original Payment Schedule.

Error Correction. In the event we make an error in processing any payment, you authorize us to initiate a payment to or from the Bank Account to correct the error. If you believe we have initiated a payment in a manner not contemplated by this authorization, then please contact OppLoans at (800) 990-9130, or One Prudential Plaza, 130 E Randolph St, Suite 3400, Chicago, IL 60601.

Re-initiation. If any Automated Payment is dishonored, you authorize us to re-initiate such Automated Payment up to two (2) more times (if necessary). You understand that your bank may charge you non-sufficient funds fees for any dishonored payment, including any re-initiated Automated Payment attempt. You agree that we are not liable for such fees.

OppFi, OppLoans, and Consumer Experiences

The CFPB serves as one of the financial protection enforcement agencies for consumers and their families across the United States. As part of monitoring consumer experiences with financial products, the CFPB established the Consumer Complaint Database to share consumers' reported experiences with various companies. The following are sample entries from consumers related to their experiences with OppLoans:

Complaint Number	Date Submitted	State	Complaint Narrative
59935680	9/19/2022	NC	<i>I took out a loan XX/XX/XXXX for {\$2700.00}. I did not realize the interest rate was 160 % interest. I have made a {\$230.00} every two weeks since XX/XX/XXXX (6 payments) which total {\$1100.00} and ONLY {\$160.00} of that {\$1100.00} has gone towards the principal amount of {\$2700.00}. After 6 payments ({\$1100.00} total), I still have a pay off balance of {\$2500.00}! Please help me!! This is criminal according to the XXXX XXXX Laws with a 36 % max interest rate of personal contracted loans under {\$5000.00}.</i>
6072744 ²	10/11/2022	MO	<i>I have disputed this debt with your company several times because you are charging me an interest rate of 158.82 % far exceeding the permissible interest allowed in Missouri.... Your negligence is ruining my credit rating and I request this be removed from my account since you violated your own arbitration agreement.</i>
5040230	12/25/2021	FL	<i>On XX/XX/2021, I entered into a contract with OppLoans for a {\$1700.00} loan. I was not aware of the 159.49 % APR until after I had received the paperwork and deposit. I didnt see it. See attached. I am happy to pay the {\$1700.00} that they sent me but I will not send that money in interest. They have scammed me and not told me everything up front.</i>
3575692	3/22/2020	AZ	<i>I applied for a loan with XXXX who denied me then referred me to XXXX who took all info my then OppLoan popped up saying congratulations with the most outrageous option for a XXXX loan ever. The option was XXXX a month for 3 years at 160 % interest which would result in me paying that company back XXXX for a XXXX loan! I am sending screen shots of this. I did not complete the app because that is extreme predatory lending!</i>

Consumers, Policymakers, and Investors Should be Vigilant Over OppFi’s Lending Practices

Overall, the impact of OppFi's products and practices highlights the need for stronger consumer protections and regulations to prevent predatory lending practices and protect vulnerable borrowers. In states where OppFi lends directly, consumers, advocates, and policymakers should be aware of ongoing and problematic lending practices as demonstrated in the sample loan document and described in the borrower complaints. In states where OppFi utilizes a rent-a-bank scheme, state policymakers should ensure state consumer lending statutes are comprehensive and inclusive of rent-a-bank anti-evasion language. Consumers, policymakers, and investors should be fully aware of OppFi's history, as well as their current practices, and remain vigilant to ensure sufficient safeguards for all families.

¹ Full loan document on file with the Center for Responsible Lending.

² Complaint Narrative has been shortened for this example. View full complaint at Search the Consumer Complaint Database | Consumer Financial Protection Bureau (consumerfinance.gov).