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State fines unlicensed online payday lender

(Salem) – The Department of Consumer and Business Services issued a cease-and-desist order against online lender E-Payday-Loan and fined the company \$10,000 for violating Oregon's payday lending laws.

The unlicensed Utah company loaned an Oregon consumer \$350 through its website and then charged the consumer approximately 842.31 percent interest on that loan over a 52-day period. E-Payday-Loan took money out of the consumer's account approximately every 14 days. Payday lenders in Oregon may not charge more than a 36 percent annual percentage rate, and they must be licensed to make loans to Oregonians, even if they are located in another state.

Other Oregon laws E-Payday-Loan violated were making or renewing a payday loan for a term of less than 31 days, and failing to give the DCBS director access to its records of Oregon loans.

“Using an online, unlicensed lender can have disastrous results. Many online lenders charge interest and fees higher than what is allowed in Oregon, and once the loan is made, consumers often cannot contact the lender,” said David Tatman, administrator of the department's Division of Finance and Corporate Securities, which regulates payday lenders. “It is important for consumers in need of a loan to make sure the lender they choose is licensed in Oregon. They can help to protect themselves by first reviewing our website.”

Consumers can check to see if a lender is licensed in Oregon by going to the DFCS website at http://dfcs.oregon.gov/payday_title.html or by calling the department toll-free at 1-866-814-9710.

For a list of enforcement orders against payday and title lending companies, go to http://dfcs.oregon.gov/securities/enf/orders/cf_enforcement_orders_index.html.

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The Division of Finance and Corporate Securities, part of the Department of Consumer & Business Services, helps ensure that a wide range of financial products and services are available to Oregonians and helps protect consumers from financial fraud and abuse. For more information, visit www.dfcs.oregon.gov.

The Department of Consumer and Business Services is Oregon's largest business regulatory and consumer protection agency. For more information, visit www.dcbs.oregon.gov.