



## Consumer Affairs and Business Regulation

Home > 2016 > Settlement Against Unlicensed Predatory Lenders

CHARLIE BAKER  
GOVERNOR

For Immediate Release - November 22, 2016

KARYN POLITO  
LIEUTENANT GOVERNOR

JOHN C. CHAPMAN  
UNDERSECRETARY

### Settlement Against Unlicensed Predatory Lenders Yields 93 Percent Refund Rate And Payout Of 2.3 Million To Massachusetts Consumers

*Unclaimed refunds can still be claimed through the Treasurer's Unclaimed Property Division*

#### Media Contact

Chris Goetcheus  
(617) 973-8767  
[Chris.Goetcheus@state.ma.us](mailto:Chris.Goetcheus@state.ma.us)

Emalie Gainey, Office of the Attorney General  
(617) 727-2543  
[Emalie.Gainey@state.ma.us](mailto:Emalie.Gainey@state.ma.us)

**BOSTON, MA** (November 22, 2016) Nearly 1,700 Massachusetts consumers who entered into small installment loan agreements with Western Sky Financial, LLC and CashCall, Inc. have been reimbursed \$2.3 million collectively as the result of an October 2015 settlement agreement reached by the Attorney General's Office and the Massachusetts Division of Banks.

It is alleged that these lenders were making illegal, high-interest loans over the internet without proper licensure or registration to do so in Massachusetts, where the statutory limit for loans of \$6,000 or less is 12 percent. Consumers who took out these loans incurred high up-front fees with interest rates ranging from 89 to 135 percent and annual percentage rates ranging from 89 to 355 percent.

"This settlement serves as a reminder to consumers that they need to be aware of the significant risks in connection with obtaining online short-term or payday loans," said John C. Chapman, Undersecretary of the Office of Consumer Affairs and Business Regulation. "We are very pleased with the success of the refund process and I'm grateful for the joint efforts of the Division of Banks and Attorney General's Office in securing this significant relief for Massachusetts consumers."

"These companies' deceptive and predatory practices put greater economic strain on consumers who were already financially vulnerable," said Attorney General Maura Healey. "As a result of this settlement, more than 1,500 consumers have been repaid and these companies must cease operations in Massachusetts. We thank the Division of Banks for working with us on this case."

The settlement provides for the refund of approximately \$2.4 million to more than 1,800 borrowers for illegal interest and fees, and also included loan modification relief through interest rate reductions for some borrowers. The total settlement will provide more than \$17 million in debt relief to Massachusetts consumers. To date, 93 percent or approximately \$2.3 million of the total refunds have been distributed to 1,673 Massachusetts borrowers.

Under the terms of the settlement, any unclaimed funds requested after the filing deadline of June 26, 2016 were required to be turned over to the Massachusetts Treasurer's Unclaimed Property Division. Massachusetts consumers who had a loan with Western Sky or CashCall and received a notice from the settlement administrator stating they are eligible for a refund may still claim the refund from the Commonwealth's Treasurer by going online to <http://www.mass.gov/treasury/unclaimed-prop/> or by calling (617) 367-0400.

Consumers can also call the settlement administrator, Dahl Administration, Inc. at (888) 755-9508 to determine if they are eligible for a refund. For any questions contact the Division of Banks' consumer hotline at (617) 956-1509 or the Attorney General's hotline at (617) 727-8400.