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PRESS RELEASE

Division of Banks Announces \$2 Million Settlement Over Unlicensed Loan Servicing and Lending Activities at LendingClub Corporation

FOR IMMEDIATE RELEASE:

4/02/2018

Office of Consumer Affairs and Business Regulation

Division of Banks

MEDIA CONTACT

Jacqueline Horigan, Public Outreach



Phone

617-973-8711



Online

jacqueline.m.horigan@state.ma.us

BOSTON, MA — Today, the Office of Consumer Affairs and Business Regulation announced action taken by the Division of Banks against LendingClub Corporation, a San Francisco-based lender and loan servicer, to address unlicensed loan servicing and small loan lending in Massachusetts.

The Division’s findings identified unlicensed loan servicing activities on loans made to Massachusetts residents. The Division also found that LendingClub had engaged in unlicensed small loan activity in violation of a previous 2011 Consent Order with the Division. LendingClub Corporation is a nationwide online lender and loan servicer that specializes in peer-to-peer lending for a variety of different loan products. Additional unlicensed small loan activity was noted at Springstone Financial, LLC, a wholly owned subsidiary of LendingClub Corporation.

“Consumers should be confident that the lenders they are dealing with are appropriately licensed and abiding by the law,” said Consumer Affairs Undersecretary John Chapman. “Today’s actions demonstrate that our agencies will take the necessary measures when needed to protect consumers from unfair practices.”

This enforcement action requires LendingClub Corporation to pay a fine of \$2,000,000, obtain the appropriate licenses as issued by the Division, and pay consumer restitution. Individual consumer reimbursement amounts will be identified upon further review. This action was the result of an extensive licensing and regulatory review of the servicing and lending activities of LendingClub Corporation.

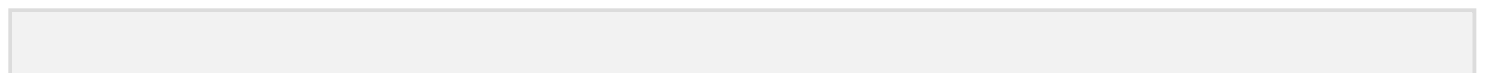
“The Division continues its aggressive efforts to protect Massachusetts consumers from unlawful lending and servicing practices by assuring that all activities are appropriately licensed and supervised,” said Commissioner of Banks Terence McGinnis. “We will continue our focus to ensure that companies doing business in the Commonwealth are properly licensed, regulated, and subject to regular examinations to determine compliance with applicable consumer protection laws.”

For a complete list of recent Division enforcement actions, please [click here](#).

Please refer to the Division of Banks website at www.mass.gov/dob for additional information including the rules governing lender licensing, instructions on how to file a complaint, and information relative to the license application requirements. Please visit the [Division’s Consumer Money Matters webpage](#) for tips to protect consumers from unlawful lending practices.

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Media Contact





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jacqueline.m.horigan@state.ma.us

Office of Consumer Affairs and Business Regulation →

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Division of Banks →

The Division of Banks (DOB) is the chartering authority and primary regulator for financial service providers in Massachusetts. DOB's primary mission is to ensure a sound, competitive, and accessible financial services environment throughout the Commonwealth.

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