



Predatory Lenders TAB Bank and EasyPay Finance Harm Veterans and Military Servicemembers with Loans up to 189% APR

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Memorial Day is a time when we recognize the sacrifice that so many Americans have made in service of our country. Veterans and servicemembers deserve our gratitude and respect. That is why it is so concerning when lenders harm veterans, military personnel, and their families with high-cost loans, **even in states where high interest rates are illegal.**

Whether facing an expensive car repair, trying to purchase furniture, or even purchasing a pet for their family, many servicemembers, veterans and their families may be subject to outrageously high interest rates and deceptive practices. Too many repair shops and stores are steering people toward EasyPay Finance, which offers high-cost loans, has generated extensive complaints about **deceptive and abusive practices**, and **charges up to 189% interest, even in states where that rate is illegal.** Many shops that offer these loans are **near military bases.**



“I’m fighting for your right to rip off hardworking American people!”

– Nevada servicemember

Transportation Alliance Bank (TAB Bank), a rogue bank in Utah, is making possible these usurious loans by EasyPay Finance. Most states have interest rate limits to stop predatory lending. But banks are exempt from state rate caps. TAB Bank helps EasyPay Finance (which is owned by Duvera Billing Services) charge up to 189% on loans offered through stores nationwide, including auto mechanics, furniture stores, and pet stores, offering predatory puppy loans and ripoff repair loans. In states that do not allow its predatory interest rates, **EasyPay launders its loans through TAB Bank so that it can charge exorbitant rates it cannot legally charge directly.** In other states, EasyPay lends directly in its own name, often as a retail installment sale.

EasyPay also may be violating or evading the Military Lending Act, which generally prohibits interest rates above 36% for servicemembers and dependents.¹ One servicemember in Nevada complained about the 189% rate for a puppy, but EasyPay “told me very rudely that they [didn’t care if] I was active duty or that the laws set in place forbid them from charging me over 36% interest. They found a loop hole and will continue to charge me what they please.” Another servicemember in Virginia got stuck with 96% APR for an auto repair and couldn’t get EasyPay to fix the rate.

EasyPay is popping up as a financing option everywhere – including at shops near military bases where the loans are more likely to affect servicemembers. For example, for auto repairs, EasyPay Finance is available at major repair chains like [AAMCO](#), [JiffyLube](#), [Meineke](#), and [Midas](#). A quick check of EasyPay’s website identified [numerous locations](#) that offer EasyPay loans for auto repairs and furniture within 15 miles of a military base, putting these terrible loans in easy reach of servicemembers.

Numerous military consumers have complained about EasyPay loans to help pay for auto repairs and puppies.² Military complaints to the [Consumer Financial Protection Bureau](#) and Ripoff Reports describe:

- **Outrageous interest rates of 96% to 189% charged to servicemembers, veterans or their family members**, sometimes in states that do not allow those rates.
- Payments for months and years that **do little to reduce the loan balance**.
- Interest rates **hidden in fine print**. Applications required to be completed on small cellphones leave consumers in the dark about the terms.
- **Promises of elusive full interest rebates** if paid in 90 days, with obstacles that prevent consumers from avoiding interest.
- Automatic payments not properly processed, leading to late payments that deprive the consumer of the interest rebate.
- **Rude and unhelpful customer service and administrative errors**, leading to missed payments, fees, and loss of the interest-free option.
- **Harm to credit reports**, including from loans paid in full or reported inaccurately. No response to consumer disputes.
- **Debt collection issues**, with loans sent to collectors after the interest balloons, insults even when payments errors happened while the consumer was in the hospital, and collectors failing to correct credit reports after the loan is paid.

Below are just a few of the many stories from military consumers caught in predatory loans from EasyPay Finance. Not all of these stories involve loans laundered through TAB Bank, but they illustrate the type of practices that the bank is enabling.

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ALABAMA

1. Fort Rucker area military consumer reports trouble managing the loan.

(No complaint narrative)

Source: CFPB #1371033

ARIZONA*

- 2. A military consumer from Mohave County, Arizona (86442), who was required to apply for a loan via cellphone, found out the loan's APR was 189% when she finally received printed copies of the agreement.*

"I've just had to get my car repaired on credit. I went to [a car repair shop in] AZ . They use 'EasyPay ' finance company for financing of customers needing credit. 'EasyPay Finance ' ONLY does 'applications ' by CELL PHONE. This is highly irregular as cell phones have very minute screens in which to view the numerous needed documents. This makes it almost IMPOSSIBLE to see what you are signing.... I finally received printed copies of the documents that I could actually READ I noticed that there is an APR of 188.99 %? I initially thought this to be a typo since this is EXCESSIVE? This makes the FINANCE CHARGE {\$1000.00} for a charge of only {\$810.00}. This entire matter must surely be FRAUDULENT? How can anyone legally charge a larger finance charge than the amount of credit needed? ..."

Source: CFPB #2130106

CALIFORNIA**

- 3. Servicemember from San Diego being charged high interest rates*

"I am being charged ... percent interest on a loan for expenses when my vehicle broke down. I am currently ... military."

Source: CPF B #2051666

- 4. Older military consumer given loan on phone with no written contract, tricked by 12-month loan that doubled to 2 years*

"We needed our car repaired and the cost came to {\$1400.00} at XXXX we did not have the cash so the manager said we could get a easy pay loan and set it up over the phone after giving our information to someone over the phone he handed me the phone and a man told me that I could pay it off in 90 days same as cash or I COULD PAY {\$140.00} for 12 months and I said I could do that and we had done that without fail the last 12 months never late. well on the 13 month they took another payment out so I called them and they were rude and said I owe for another year. they said I agreed to that no I did not, there was no contract sent to me only a over the phone agreement that I did without fail so I closed my account so they could not get another payment I do n't owe for."

Source: CFPB #1747924

- 5. Military consumer in San Diego area reports incorrect information on credit report, old information that reappears or never goes away.*

(No complaint narrative).

Source: CFPB #3715545.

FLORIDA

6. *Military consumer pays 130% interest on the purchase of a dog, amounting to \$1,500 in interest.*

"I purchased a dog for {\$2500.00} from [store] in [town]. I applied for financing through EasyPay Finance, which was approved. However, they charged me an annual interest rate of 130 %. I recently paid off the loan, because of the egregious interest rate. I ultimately paid {\$4000.00} total, {\$2500.00} for the original purchase amount and {\$1500.00} in interest."

Source: CFPB #2720976

7. *Jacksonville area military consumer has problem with the payoff process at the end of the loan.*

(No complaint narrative.)

Source: CFPB #3556532

ILLINOIS

8. *At 151% APR, Chicago-based military consumer (60644) pays \$2,300 for \$1,500 loan, still owes \$1,300.*

"I had a costly auto repair. The repair shop I took my vehicle to listed XXXX as an accepted form of payment. I applied online in XX/XX/2019 because I thought I had a fair credit score. I was approved for an amount that exceeded the cost of the repair, the amount was {\$1500.00}. I have since made twenty three payments totaling {\$2300.00}. The payment amount to payoff the remaining debt is {\$1300.00}. The interest rate is 151 %. I currently make payments biweekly of {\$100.00}."

Source: CFPB #3501880

9. *Older military consumer near Chicago reports trouble managing the loan.*

(No consumer narrative.)

Source: CFPB #1465567

KANSAS*

10. *Military consumer near McConnell Air Force Base reports trouble managing the loan.*

(No complaint narrative.)

Source: CFPB #1583554

NEVADA*

11. *Nevada active-duty servicemember (89115) to Duvera (EasyPay): "I'm fighting for your right to rip off hardworking American people!"*

"I wanted to get my kids a puppy. We found the perfect dog at a puppy store. they were asking \$800. I didn't have that kind of money on hand so we had decided not to get her that is until they

offered to finance us through DUVERA. The pet store misled me on how much I would be financed on and when I reviewed my contract I found that this finance company was attempting to charge me an interest rate of 189%. I immediately called my military installation's legal office. I went over a few different legal acts that were set into place to protect active duty military personnel from predatory lenders. I emailed DUVERA and they called me back and basically told me very rudely that they didn't care if I was active duty or that the laws set in place forbid them from charging me over 36% interest. They found a loop hole and will continue to charge 7 me what they please. I am still trying to figure out if my legal office can help me but I am completely ashamed of this company. They are true scam artists and the woman who called to let me know they found a loop hole was very rude and had a bad attitude. I hope the sleazy people who run and work for this company have a great Christmas. My family sure won't be considering, out of an \$800 loan I will end up paying out \$2,400 which will put \$1,600 in this company's pocket. Your welcome! I'm fighting for your right to rip off hardworking American people DUVERA!"

Sources: Ripoff Report #1257948 and similar complaint at CFPB #15855571

12. Las Vegas (89074) military consumer who financed puppy "Where are consumer protections?" after "insane and illegal" interest and negative impact on credit report even after paid in full.

"[I] utilized small loan service Duvera to assist purchasing a puppy with an understanding I would have until XX/XX/2020 to satisfy the amount due. Duvera assigned the loan to XXXX. XXXX applied an appalling amount of interest to the loan. In my constant calls they were unwilling to allow me to satisfy the account so that they could continue to charge insane and illegal amount of interest daily. Once I finally had satisfied the account, they continue to report me as having a monthly payment and balance due. I have called and again they are unwilling to assist by updating their reporting to the bureaus. I am requesting all interest refunded, and credit reporting updated to reflect as paid in full/satisfied. This reporting continues to negatively impact on my ability to receive credit. This company is engaged in continual predatory lending practices, and are acting maliciously against me. They need to be closed down! Where are consumer protections?"

Source: CFPB #4078227

NEW JERSEY

13. Military consumer from New Jersey borrows to purchase pet, tries to pay off loan in full but loan gets sent to collection. Credit score gets lowered 100 points because of inaccurate information on credit report.

"I borrowed money to complete an expensive purchase of a pet for my daughter! They took application at the pet store. They let me have {\$1800.00} loan. They said I could pay loan in 90 days without penalty or interest. I tried to pay the loan and they said that I missed 2 payments so the loan went into default and that I owed almost twice the amount of original loan in fees and interest!

"I contacted them and they insisted that I owed the money ; and that I could do nothing!

"Now they have another entity trying to collect the debt and in less than 14 months the debt has been reported to 2 of the credit agencies as over {\$5000.00} They reported several times with variations to account number and totally different dollar amounts so the agency has lowered credit scores over 100 points because of multiple violations or debts. The agency reporting the

debt has not verified the debt and its been over 65 days since we requested proof or verification of debt. The companies name is DUVERA FINANCIAL.”

Source: CFPB #3389870

OREGON*

14. Military debt collection complaint about continued attempts to collect debt not owed, debt discharged in bankruptcy.

(No complaint narrative)

Source: CFPB #1018771

PENNSYLVANIA*

15. Credit record of a military consumer from Philadelphia continues to suffer from debt collection and harmful credit reporting, even after loan is paid off, because company refuses to rectify.

Original debt was .. {\$500.00} a, after interest and fees accumulated to XXXX XX/XX/17 also had a XXXX . the original debt has been. Paid to the creditor. the secondary debt collector .. will not update the credit beaureas and remove derogatory remarks from credit. I am recovering from the XXXX and attempting to recover my credit as well

Source: CFPB #3528912

TEXAS

Older military consumer near Austin reports continued attempts to collect debt that is not theirs.

(No complaint narrative.)

Source: CFPB #1186477

VIRGINIA*

16. Virginia Beach (23464) consumer tells the lender they were a servicemember but is still charged 96% APR on vehicle repair, still owes most of original loan after two years

“i am an XXXX XXXX service member, and i had a transmission go out in my vehicle. i took my truck to a local shop to have the transmission fixed. the company had companies that they had that would give you a loan to pay for the repairs since i could n't afford it at the time, and i got approved with duvera. after a couple of statements, i saw that i was getting charged nearly 96 % APR and that was outrageous. i call the company and told them i was a service member and that i could n't get charged that much for APR and they said they would fix it but nothing has happened. i opened the account XXXX XXXX, 2015 and after 2 years I 've only been able to pay down about XXXX dollars from my original loan and its been 2 years. i still owe about 80 %.”

Source: CFPB #2770607

17. Military consumer in Arlington reported as delinquent when paid in full; fears retaliation for paying in full to avoid exorbitant interest rate of 119% that is illegal in Virginia

“... I obtained an installment loan ... to fund my vehicle repairThe loan was advertised as 90 days same as cash with no interest or prepayment penalty but with an APR of 119 %. While the interest rate was unreasonable, I could not afford to pay the {\$1200.00} repair at the time and urgently needed my vehicle for work, ... school and to take my kids to school and other places, so I took the loan. The loan was disclosed to have semi-monthly payments of {\$69.00} over a 48 month period that were required to be auto payments.

“The first payment processed on ... and subsequent payments were made via auto payment twice every month. While all payments were made and processed including extra and irregular payments ... has reported to the credit bureau that the account is past due 30 days.

“The fact is that the account is actually paid in Full. While I have attempted to resolve this in phone calls with ... but have been unable to do so.

“I have been retaliated upon for I believe paying the account off in full and avoiding the exorbitant and illegal interest (according to Virginia ... interest rate on consumer installment loans is 35 %).

“[EasyPay]... has deleted my online account access and refuses to update the account status to paid in full based on my last payment of {\$1400.00} on ...”

Source: CFPB #5368546

WISCONSIN*

18. Military consumer leaves hospital to find error in automatic payments causing account to fall into default and be reported to credit bureaus; even after account is paid in full, EasyPay fails to fix damage to borrower's credit

“...I was hospitalized with [illness] I was in the hospital for some time. Once I got out the hospital I had contacted EasyPay Finance I asked to speak to a manager and I was transferred to XXXX XXXX I tried to explain to him that I was in the hospital and when I got out I had an alert from my credit bureaus I had a negative account I tried to explain to XXXX that I had set up my account for automatic payments, he replied with a negative comment about people want to complain when they don't pay their bills. I explained that their company had made an error and I ask that they clear. He said no it was in collections and it was not the companied fault and it had to be paid in full. I asked to speak to higher supervisor he said he was the only one. XXXX was extremely rude and did not care to hear what I was trying to explain to him. He said the only way they remove the negative remark was if I paid it in full then they would have the tradeline deleted. On XX/XX/XXXX, I paid the account in full and received a letter stated the negative reporting would be removed in 4 weeks. I have emailed them multiple times and they have not responded or removed the tradeline. My credit was damage due to the negligence and continues to be on my credit and it has been XXXX months and XXXX day the account was paid and the tradeline is still on my report.”

Source: CFPB#4918169

* EasyPay Finance’s website confirms that it is lending through TAB Bank in Alabama, Arkansas, Colorado, Connecticut, District of Columbia, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, New York, North Carolina, Ohio, Oklahoma, Rhode Island, South Carolina, Tennessee, Texas, Vermont, West Virginia, Wyoming. The website indicates that financing in other states is “administered” by EasyPay; any TAB Bank involvement is unclear. EasyPay may be operating under either the state’s lending statute or its retail installment loans act in some of those states.

** EasyPay Finance’s store locator includes California locations, but the website states: “No California loans currently available. If applicable in the future, California loans made or arranged pursuant to a California Finance Lenders Law license.”

Endnotes

¹ The Military Lending Act’s 36% rate cap does not apply to veterans, or to loans secured in the course of purchasing personal property when the loan is secured by the property procured. 10 U.S.C. § 987(i)(6). It is unclear if any of the EasyPay Finance loans are secured. But even if they technically are, a loan cannot be secured by an auto repair that cannot be returned. Some complaints also seem to indicate an awareness by EasyPay that the MLA applies.

² The CFPB’s complaints database uses the “servicemember” tag for complaints submitted by or on behalf of a servicemember, the spouse or dependent of a servicemember, and anyone who previously served and is a veteran or retiree. Some of the consumers also identify their active duty military status in the complaint narrative.