October 6, 2014

Ms. Sara Rietcheck
Washington State Department of Financial Services
Division of Consumer Services
PO Box 41200
Olympia, WA 98504-1200

RE: Check Cashers and Sellers Act Proposed Regulations

Dear Ms. Rietcheck:

We are writing today in support of the Washington State Department of Financial Institutions ("DFI") proposed regulations to clarify the DFI's interpretation of the state's Check Cashers and Sellers Act[1] (the "Act") as the Act relates to "small loan agents." We appreciate the time and attention that the DFI has put toward this initiative and write in support of the proposal.

Over the past year, OLA has worked with the DFI as well as the regulators in other states and the Conference of State Bank Supervisors ("CSBS") to develop a model regulation that states could adopt to register and regulate "lead generators." Our reasons for doing this are two-fold. First, we noticed that many states were attempting to license and regulate lead generators under statutes designed to license and regulate small dollar lenders. Because the activities of lead generators are not similar to lending activities, OLA observed that the application of these laws to lead generators was a poor match and often required lead generators to submit annual reports on loan volume or other metrics that were inapplicable to their line of business. Second, OLA observed several of its lender members who encountered difficulty in receiving licenses in certain states because regulators were reticent to grant licenses to entities doing business with unlicensed and unregulated lead generators.

With these reasons in mind, OLA crafted a model lead generator registration regulation, which it provided to the DFI and other state regulators. Accordingly, the regulation that the DFI is now offering for comment contains many of the elements suggested by OLA. In particular, OLA notes and supports the following similarities between our recommended registration and the DFI's regulation:

[1] Wash. Rev. Code Chapter 31.45.

- **Identification of Lead Generator.** We agree that all lead generators should be required to provide regulators with their full legal names. This should help ensure that any consumer who has an issue with a lead generator can identify that entity and seek assistance from the DFI to resolve any issue.
- **Data Protection Policies.** Knowing that the security of data is a top of mind issue for state and federal regulators, we support the DFI's requirement for a lead generator to file a declaration that the company will not sell consumers' nonpublic personal information to unlicensed entities. Additionally, we support a requirement that consumers be advised via the lead generator's privacy policies regarding the sale of information to unaffiliated third parties.
- **Borrower Warning.** To avoid potential consumer confusion about the role and responsibilities of a lead generator versus those of a lender, OLA supports the inclusion of this legend on lead generator landing pages: "Your use of this website is not an offer or solicitation to lend you money. The owner of this website is not a lender and does not make loans or credit decisions. The owner of this website may sell all or part of your information to lenders and other persons and you may be contacted by lenders and other persons. Contact the Department of Financial Institutions [telephone number or contact info] with complaints."
- **Permissible Activities.** We support the DFI's decision to permit the sale of consumer information among licensed entities (including a sale between licensed lead generators). We strongly believe that limitations on the sale of data will provided much-needed protections to the entire online lending industry.

Thank you again for your time and attention to this initiative. We look forward to working with you in the future.

Respectfully,

Lisa McGreevy

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