

Press Coverage | April 26, 2021

# Pa. AG Settles With Collector Over Payday Loan Scheme

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[Virginia Bell Flynn](#)

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Virginia Bell Flynn, partner in Troutman Pepper's Consumer Financial Services Practice Group, was quoted in the April 26, 2021 *Compliance Digest* article, "[Pa. AG Settles With Collector Over Payday Loan Scheme.](#)"

Earlier this month, the Pennsylvania attorney general reached a settlement with debt collector National Credit Adjusters (NCA), ending a multi-year investigation into an allegedly illegal payday lending scheme involving over \$133 million in accounts. Under the terms of the settlement, NCA agreed to pay \$602,000 over two years to cover the cost of the litigation. The attorney general agreed to suspend another \$276,523 in fines. NCA also agreed to cancel the loan balances on the affected accounts and refrain from collecting on internet loans from non-bank lenders that violate Pennsylvania's usury laws; it had voluntarily ceased collecting on the accounts at issue in 2015 when the investigation commenced. The contested loans allegedly charged interest in excess of Pennsylvania's 6% cap.

NCA's co-defendant, Think Finance, an online financial technology company associated with various tribal lenders, reached a separate settlement with the Pennsylvania attorney general in 2019. The investigation is emblematic of states' ongoing efforts to enforce their consumer protection laws against online lenders and any entities that participate in collecting those debts.

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