



Consumer Federation of America

FOR IMMEDIATE RELEASE
December 16, 2013

Contact: Tom Feltner 202-618-0310

**CFA STATEMENT ON CFPB AND COLORADO ACTION TO PROTECT
CONSUMERS FROM ONLINE LOANS VIOLATING STATE
PROTECTIONS**

*Cash Call Inc, a servicer for defunct online lender Western Sky,
accused of collecting payments on cancelled loans*

Washington D.C. -- The Consumer Federation of America applauds the Consumer Financial Protection Bureau and the State of Colorado's [action against CashCall Inc.](#), an online loan servicer accused of collecting payments on high-cost online installment loans made in violation of state consumer protection laws.

"Simply because a transaction occurs online does not mean that the borrower's home-state consumer protections, such as interest rate caps, can be ignored," said Tom Feltner, Director of Financial Services at the Consumer Federation of America. "This action reaffirms that all lenders, whether they operate out of a storefront or online, must play by the same set of rules."

Cash Call Inc., along with WS Funding, LLC and Delbert Services Corporation, is accused of attempting to collect payments for online loans originated by Western Sky Financial even after those loans were found to be in violation of state law. Earlier this year, Western Sky Financial stopped making loans after numerous state actions successfully called its tribal immunity claim into question.

In the [complaint](#), the CFPB claims that CashCall Inc, serviced loans that violate consumer protections in at least eight states, including: Arizona, Arkansas, Colorado, Indiana, Massachusetts, New Hampshire, New York, and North Carolina. The Bureau is seeking a refund of all payments made by consumers in states where loans were void as well as additional damages and penalties.

"Today's action, along with cases filed by two state Attorneys General, sends a strong signal that online lenders must comply with the consumer protections of a borrower's home state," said Feltner.

The Consumer Federation of America is an association of more than 250 non-profit consumer groups that, since 1968, has sought to advance the consumer interest through research, education, and advocacy.