



April 4, 2017

The Honorable Bill Dodd
Chair, Senate Banking and Financial Institutions Committee
State Capitol Room 5064
Sacramento, CA 95814

Re: Support for Senate Bill 297

Dear Senator Dodd:

The Online Lenders Alliance would like to express its support of Senate Bill 297. OLA represents the growing industry of innovative companies that develop and deploy financial technology which include proprietary and innovative underwriting methods, data analytics, and non-traditional delivery channels to offer online consumer loans and related products and services. OLA members include online lenders, as well as vendors and service providers to lenders, such as consumer reporting agencies, payment processors, and online marketing firms. Our members provide unsecured installment loans to millions of American consumers, a much-needed credit product for those who do not have other realistic or safe options to meet unexpected or emergency expenses or to make ends meet when money is tight. These loans provide convenience that consumers value.

All OLA members have agreed to a Code of Conduct and Best Practices that go above and beyond current legal and regulatory standards. These further the goals of promoting lending that is fair and responsible. It also reflects OLA's support for efforts to stop bad actors from engaging in deceptive, unfair, or abusive lending practices.

Much of the innovation undertaken by OLA members has enabled consumers' greater access to lending options. These innovations have been curtailed in California due to certain aspects of the state's CFL law that have limited some lenders' abilities to use loan finders to refer potential new customers. This has become a barrier to our members' abilities to provide consumers a key source of capital. While the goal of the State's CFL law was greater consumer protection, one unintended consequence has been to block many of the long-standing business relationships that our members have developed. This is contrary to business practices in almost every other industry. While impacting the ability of many businesses to operate, most affected is the consumer who could see their capital options limited.

Senate Bill 297 would change much of this by providing a clear set of rules. Greater transparency will enable the consumers to know lenders' full relationships with lead generators. This will enable OLA and the online lending industry to work with a broader range of state registered loan finders in a manner that they are unable to do under the current CFL law. The enactment of SB297 will benefit the consumer who will have access to a broader range of lending options and we look forward to its passage and being signed into law.

Thank you very much for your help.

Sincerely,



Lisa McGreevy
President & CEO
Online Lenders Alliance