

**IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK**

The People of the State of New York, by Attorney General Letitia James; the Commonwealth of Pennsylvania, by Attorney General David W. Sunday, Jr.; State of Colorado, *ex rel.* Philip J. Weiser, Attorney General, and Martha Fulford, Administrator; Maryland Office of the Attorney General; State of Nevada; State of New Hampshire; State of New Jersey, by Attorney General Jennifer Davenport; State of North Dakota, *ex rel.* Drew H. Wrigley, Attorney General; State of Oklahoma; State of South Dakota; Commonwealth of Virginia, *ex rel.* Jay Jones, Attorney General; State of Washington; and State of Wisconsin,

Plaintiffs,

v.

OneMain Holdings, Inc.; OneMain Finance Corporation; OneMain Consumer Loan, Inc.; OneMain Financial Holdings, LLC; OneMain Financial Group, LLC; OneMain Financial, Inc.,

Defendants.

**COMPLAINT FOR PERMANENT
INJUNCTION AND OTHER RELIEF**

Case No: 1:26-cv-2117

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Plaintiffs, the People of the State of New York, by Attorney General Letitia James; the Commonwealth of Pennsylvania, by Attorney General David W. Sunday, Jr.; State of Colorado, ex rel. Philip J. Weiser, Attorney General, and Martha Fulford Administrator; Maryland Office of the Attorney General, Consumer Protection Division; State of Nevada; State of New Hampshire; State of New Jersey, by Attorney General Jennifer Davenport; State of North Dakota, ex rel. Drew H. Wrigley, Attorney General; State of Oklahoma; State of South Dakota; Commonwealth of Virginia, by, through, and at the relation of its Attorney General, Jay Jones; State of Washington; and State of Wisconsin (“Plaintiffs” or “Plaintiff States”), bring this action against OneMain Holdings, Inc.; OneMain Finance Corporation; OneMain Consumer Loan, Inc.; OneMain Financial Holdings, LLC; OneMain Financial Group, LLC; OneMain Financial, Inc. (“OneMain,” “Defendants,” or “the company”) and allege the following:

INTRODUCTION

1. OneMain’s business is supposedly straightforward: it sells high-cost subprime installment loans. Loans are what OneMain markets and advertises. And loans are what its consumers expect to get. And yet, many of the consumers who borrow money from OneMain unwittingly leave with far more debt than the cash they borrowed.

2. Buried in the loan paperwork, OneMain surreptitiously charges consumers hundreds or thousands of dollars for insurance policies and other products, which are referred to herein as “add-ons” or “add-on products.”

3. These add-on products are purportedly “optional,” but OneMain packs them into loans without the consumers’ knowledge, or by misrepresenting them, or despite consumers explicitly rejecting them.

4. OneMain sells only single premium add-on products, which means the entire premium or fee is paid upfront and financed into the loan instead of paid monthly. This inflates the size of the loan and adds hundreds or thousands of dollars in interest.

5. OneMain conceals the add-on products' true price during loan closings. It focuses consumers only on the substantially lower monthly cost instead of the total premium cost. It almost always fails to mention that add-ons inflate the interest amount. It universally omits the hundreds or even thousands of dollars of interest attributable to the add-ons. And it frequently does all three at once.

6. Consumers come to OneMain expecting to receive what OneMain promises: a "Clear and easy" loan closing process "from start to finish," with "Fixed payments and clear, upfront terms" for a straightforward installment loan.

7. OneMain does not advertise that it sells add-ons, which guarantees that customers who come through its doors will not expect the company to push these products. OneMain does not tell consumers to allocate extra time to consider add-on options. Nor does OneMain provide the paperwork in advance. Consumers expecting to receive "clear, upfront" loan terms are thus vulnerable to the company's tactics.

8. OneMain has some written policies that purport to prevent add-on packing, but the policies bear little resemblance to what happens in practice. Its employees appear not to follow them, and OneMain appears not to enforce them.

9. By contrast, the company has other written policies that actually promote its add-on packing, and its employees appear to follow these add-on-promoting policies.

10. OneMain has constructed a loan closing process that enables and promotes its add-on packing. OneMain's policy instructs its employees to wait until the consumer is sitting down

to sign the paperwork or on the phone to close the loan and then to pressure the consumer into taking every product, even when loan closers suspect the consumer does not want them, and even when a consumer rejected them in a prior loan.

11. OneMain also often blazes through the closing process. Contrary to OneMain's stated policies, the company's employees often control the screen and set the pace of the closing. OneMain's employees brush past the fine print, urging consumers to e-sign to keep up with the employee's breakneck pace. And even when the consumer might nominally control the screen, OneMain often rushes the consumer while effectively controlling the pace of the loan process.

12. When a customer notices that OneMain is packing add-ons into their loan, the company pressures the consumer into taking add-ons they do not want and which the company fails to fully and meaningfully explain. Indeed, much of this is dictated by policy.

13. OneMain's policies pressure employees to continue pushing customers to purchase products unless and until the consumer has explicitly said "no" three separate times. And the policies do not limit how often a loan closer can press a consumer who expresses reservations that fall short of explicit rejections.

14. The company's policy, moreover, has been to pitch the products through electronic displays, oral representations, and sometimes flyers or brochures, none of which contain the full terms and key exclusions. OneMain's policy is to provide the full terms only after requiring consumers to confirm their "selections."

15. One of the most important of these disclosures is itself deceptive. OneMain's Truth in Lending Disclosure leaves consumers with the false impression that the premium for the insurance product is "Paid To" the insurance company. But despite a buried asterisk noting that OneMain "may" retain a portion of that premium, the company in fact *always* retains a portion.

16. Indeed, for some products, OneMain retains the *entire* premium that it discloses as paid to an insurance company, because it owns the insurance company. And this, it never discloses.

17. None of this is accidental. It all occurs because the company incentivizes it. Loan closers, branch managers, and district managers all receive commissions for each non-credit product sold. And they lose that commission anytime a product is cancelled. OneMain runs an annual recognition program to encourage the sale of non-credit products, handing out awards and gift cards to its employees as part of the program. Employee evaluations may hinge on add-on product sales, and failure to sell may lead to discipline.

18. Moreover, whether it closes the loan in person or over the phone, OneMain almost never records its loan closing, ensuring that there is no record of any misconduct to correct.

19. OneMain often compounds the harm it causes in closing the initial loans when it refinances those loans.

20. OneMain usually fails to make consumers aware of the myriad ways that refinancing a loan will increase its cost.

21. When OneMain refinances a loan, it typically extends the term of the loan, so that consumers wind up paying more interest than they would have in the original loan. It sometimes raises the interest rate. It always charges new origination fees where permissible under law. And in certain states, it resets the amortization schedule, so that consumers' early payments on the refinanced loan go toward paying a higher amount of interest rather than the principal.

22. And each refinancing gives the company the opportunity to pack additional add-ons into the loan. Since the cost of credit insurance is tied to the amount financed, an increase in the size of the loan due to refinancing typically increases the size of the credit insurance premiums and resulting interest charges as well.

23. OneMain, moreover, may refinance a loan two, three, four, five, or even more times.

24. Consumers who take out high-interest loans are often facing immediate financial difficulties, and they may understand that such loans are costly. But OneMain's unlawful add-on and refinancing practices leave many of its customers significantly worse off than they bargained for when they came to the company for financial relief.

LEGAL AUTHORITY

25. Plaintiffs bring this action to prevent unfair, deceptive, or abusive acts or practices under Section 1042 of the Consumer Financial Protection Act of 2010 (CFPA), 12 U.S.C. § 5552(a), which authorizes Plaintiffs to seek, and the Court to order, permanent injunctive relief, monetary relief, and other relief for Defendants' acts or practices that violate the CFPA.

26. Plaintiffs also bring this action pursuant to Section 1036(a)(1)(A) of the CFPA, 12 U.S.C. § 5536(a)(1)(A), which authorizes Plaintiffs to seek, and this Court to order, permanent injunctive relief, monetary relief, and other relief for Defendants' acts or practices that violate other Federal consumer financial laws set forth in the CFPA, including the Truth in Lending Act, 15 U.S.C. § 1601, *et seq.* (TILA).

27. In addition, Plaintiffs bring this action pursuant to their respective state consumer protection laws:

28. The State of New York brings this action pursuant to its authority under New York Executive Law § 63(12) and New York General Business Law §§ 349 and 350, to restrain fraudulent, illegal, deceptive, unfair, and abusive conduct and to obtain appropriate consumer restitution, penalties, and all other appropriate relief under the law.

29. The Commonwealth of Pennsylvania brings this action pursuant to the Unfair Trade Practices and Consumer Protection Law, 73 P.S. § 201-1, *et seq.* (PA CPL), to restrain unfair methods of competition or unfair or deceptive acts or practices in the conduct of any trade or commerce declared unlawful by Section 201-3 of the PA CPL.

30. Philip J. Weiser is the Attorney General of the State of Colorado and brings this action under his authority in the Colorado Consumer Protection Act, 6-1-101, C.R.S., *et seq.* to restrain unfair, unconscionable, deceptive, deliberately misleading, false, or fraudulent acts or practices. Martha Fulford is the Administrator of the Colorado Uniform Consumer Credit Code and brings this action pursuant to her authority under 5-1-101, *et seq.* and 5-9.3-109, C.R.S. to regulate consumer credit transactions.

31. The Maryland Office of the Attorney General, Consumer Protection Division brings this action under the Maryland Consumer Protection Act, Md. Code Ann., Com. Law §§ 13-101 through 13-501 (LexisNexis Supp. 2023) (MDCPA), to enjoin OneMain from engaging in these unfair, deceptive, and abusive practices, and to recover statutory civil penalties, restitution, attorneys' fees and costs, and other equitable and monetary relief.

32. The State of Nevada brings this action pursuant to its authority under the Nevada Deceptive Trade Practices Act (NV DTPA), Nevada Revised Statutes Chapter 598, to enjoin OneMain from engaging in knowing misrepresentations in transactions and violations of federal law.

33. The State of New Jersey brings this action pursuant to its authority under the New Jersey Consumer Fraud Act (NJCFA), N.J. Stat. Ann. §§ 56:8-1 to -233, as well as N.J. Stat. Ann. §§ 52:17B-120, 52:17B-124, to enjoin OneMain from engaging in abusive, unconscionable, and

deceptive practices and to recover consumer restitution, civil penalties, attorneys' fees and costs, and all other equitable and monetary relief.

34. The State of Washington brings this action pursuant to its authority under the Washington Consumer Protection Act, chapter 19.86 RCW (WA CPA), to enjoin OneMain from engaging in these unfair and deceptive practices, and to recover statutory civil penalties, consumer restitution, attorneys' fees and costs, and other equitable and monetary relief.

35. At all times relevant hereto, OneMain engaged in trade and commerce by marketing, offering, selling, and originating personal loans to residents of the Plaintiff States and by servicing and collecting on these loans.

36. The public interest is served by seeking before this Court a permanent injunction to restrain the methods, acts, and practices alleged, restitution, and disgorgement of money that OneMain has derived from these methods, acts, and practices, as well as civil penalties and investigative and litigation costs.

37. OneMain is using, has used, or is about to use methods, acts, or practices declared unlawful by the CFPA, NY Executive Law, NY General Business Law, PA CPL, CO C.R.S., MDCPA, NV DTPA, NJCFA, and/or WA CPA.

38. The CFPA, which prohibits "unfair, deceptive or abusive acts or practices," offering or providing "to a consumer any financial product or service not in conformity with Federal consumer financial law," or otherwise committing "any act or omission in violation of a Federal consumer financial law," explicitly delegates to state attorneys general the authority to bring federal civil enforcement actions to enforce the CFPA and to secure remedies provided therein. 12 U.S.C. §§ 5536(a)(1)(A), (B); 12 U.S.C. § 5552(a)(1). The CFPA requires that an

attorney general provide prior notice to the Consumer Financial Protection Bureau (CFPB). 12 U.S.C. § 5552(b)(1). Plaintiffs have provided such notice.

39. Section 1036 of the CFPA prohibits a “covered person” from offering or providing to a consumer any financial product or service not in conformity with Federal consumer financial law, or otherwise committing any act or omission in violation of a Federal consumer financial law, or from committing or engaging in any “unfair, deceptive or abusive act or practice” in connection with any transaction with a borrower for a consumer financial product or service, or the offering of a consumer financial product or service. 12 U.S.C. §§ 5536(a)(1)(A), (B). OneMain is a “covered person” within the meaning of the CFPA. 12 U.S.C. § 5481(6).

40. Citizens of the Plaintiff States are suffering and will continue to suffer harm unless the acts and practices complained of herein are permanently enjoined.

JURISDICTION AND VENUE

41. This Court has subject-matter jurisdiction over this action because it is “brought under Federal consumer financial law,” 12 U.S.C. § 5565(a)(1), and presents a federal question, 28 U.S.C. § 1331. Plaintiffs are authorized to initiate civil actions in federal district court to enforce provisions of the CFPA. 12 U.S.C. § 5552(a)(1).

42. This Court has supplemental jurisdiction over the remaining claims under 28 U.S.C. § 1367.

43. This Court has personal jurisdiction over OneMain because: (1) OneMain’s principal place of business is in Manhattan because its high level officers direct, control, and coordinate the corporation’s activities from Manhattan, and (2) those high level officers direct the conduct relevant to the complaint from Manhattan.

44. The following high-level officers and personnel work from the company's office in Manhattan: Chief Executive Officer Douglas Schulman; Chief Operating Officer Micah Conrad; Strategic Initiatives and Insurance Vice President Sundrus Kubba; Chief Financial Officer Jenny Osterhout; Deputy Chief Financial Officer Matt Vaughan; Chief Legal Officer Lily Fu Claffee; Chief Credit and Customer Acquisition Officer Dinesh Goyal; and Treasurer David Schulz. Manhattan-based OneMain personnel oversee the company's nationwide business practices and strategy, including its add-on product business and refinancing operations and its compliance and audit processes. This Court therefore has specific personal jurisdiction over OneMain as to the claims in this Complaint because the relevant conduct was directed from the Southern District of New York. This Court also has general personal jurisdiction over OneMain because New York City is where the company's principal place of business and its nerve center are located such that the company is at home in the Southern District of New York.

45. Venue is proper in this district because Defendants are located, reside, and/or do business in this district, and/or a substantial part of the events or omissions giving rise to the claims occurred in this district. 28 U.S.C. § 1391(b), (c); 12 U.S.C. § 5564(f).

PLAINTIFFS

46. Plaintiff is the People of the State of New York, acting by Attorney General Letitia James, with offices located at 28 Liberty Street, New York, NY 10005.

47. Plaintiff is the Commonwealth of Pennsylvania, acting by Attorney General David W. Sunday, Jr., with offices located at 15th Floor, Strawberry Square, Harrisburg, PA 17120.

48. Plaintiff is the State of Colorado, *ex rel.* Philip J. Weiser, Attorney General, and Martha Fulford, Administrator, with offices located at 1300 Broadway, 9th Floor, Denver, CO 80203.

49. Plaintiff is the Maryland Office of the Attorney General, Consumer Protection Division (the “Maryland Consumer Protection Division”), which is responsible for enforcement of Maryland’s consumer protection laws, including the MDCPA. The Maryland Consumer Protection Division’s offices are located at 200 St. Paul Place, Baltimore, MD 21202.

50. Plaintiff is the State of Nevada, through Attorney General Aaron D. Ford, with offices located at 100 North Carson Street, Carson City, NV 89701.

51. Plaintiff is the State of New Hampshire, by Attorney General John Formella, with offices located at 1 Granite Place South, Concord, NH 03301.

52. Plaintiff is the State of New Jersey, through Attorney General Jennifer Davenport, with offices located at 124 Halsey Street, Newark, NJ 07102. References to New Jersey or the Attorney General of New Jersey with respect to New Jersey’s state law claims shall mean the New Jersey Attorney General and the Acting Director of the New Jersey Division of Consumer Affairs, Jeremy E. Hollander.

53. Plaintiff State of North Dakota is the Attorney General of the State of North Dakota acting as the chief law enforcement officer of the State of North Dakota, with offices located at 1720 Burlington Drive, Suite C, Bismarck, ND 58504-7736.

54. Plaintiff is the State of Oklahoma by Attorney General Gentner Drummond, with offices located at 313 N.E. 21st Street, Oklahoma City, OK 73105.

55. Plaintiff is the State of South Dakota, with offices at 1302 S.D. E. Hwy 1889, Suite 1, Pierre, SD 57501.

56. Plaintiff is the Commonwealth of Virginia, by, through, and at the relation of its Attorney General, Jay Jones, with offices located at 202 North Ninth Street, Richmond, VA 23219.

57. Plaintiff is the State of Washington, through Attorney General Nicholas W. Brown, with offices located at 800 Fifth Avenue, Suite 2000, Seattle, WA 98104 (“State of Washington” or “Washington”). The Washington Attorney General is also authorized to commence this action pursuant to RCW 19.86.080 and RCW 19.86.140.

58. Plaintiff is the State of Wisconsin, by Wisconsin Attorney General Joshua L. Kaul, with offices located at Wisconsin Department of Justice, 17 W. Main Street, Madison, WI 53707.

DEFENDANTS

59. OneMain Holdings, Inc. is a Delaware corporation with its principal place of business at 575 Fifth Avenue, Fl. 27, New York, NY 10017-2452. It also has an office in Evansville, Indiana, which it lists in certain public filings as its principal executive office location, but from which its most senior executives do not principally work. Seven out of eight of its officers principally work from New York City: Mr. Shulman, Ms. Claffee, Mr. Conrad, Mr. Goyal, Ms. Osterhout, Mr. Schulz, and Mr. Vaughn. It is a holding company.

60. OneMain Finance Corporation, which is a wholly owned subsidiary of OneMain Holdings, Inc., is an Indiana corporation, with its principal place of business at 575 Fifth Avenue, Fl. 27, New York, NY 10017-2452. Six of its seven officers principally work from New York City: Mr. Schulz, Mr. Conrad, Ms. Osterhout, Ms. Claffee, Mr. Goyal, and Mr. Vaughan. It is a holding company.

61. OneMain Consumer Loan, Inc., which is a wholly owned subsidiary of OneMain Finance Corporation, is a Delaware corporation with its principal place of business at 575 Fifth Avenue, Fl. 27, New York, NY 10017-2452. Two of its four officers principally work from New York City: Mr. Schulz and Mr. Conrad. It performs centralized consumer lending functions.

62. OneMain Financial Holdings, LLC, which is a wholly owned subsidiary of OneMain Finance Corporation, is a Delaware Limited Liability Company, with its principal place of business at 575 Fifth Avenue, Fl. 27, New York, NY 10017-2452. Three of its four officers principally work from New York City: Mr. Schulz, Mr. Conrad, and Ms. Claffee. It is a holding company.

63. OneMain Financial Group, LLC, which is a wholly owned subsidiary of OneMain Financial Holding, LLC, is a Delaware limited liability company, with a principal place of business at 575 Fifth Avenue, Fl. 27, New York, NY 10017-2452. Three of its four officers principally work from New York City: Mr. Schulz, Mr. Conrad, and Ms. Claffee. It performs consumer operations functions.

64. OneMain Financial, Inc., which is a wholly owned subsidiary of OneMain Financial Group, LLC., is a West Virginia Corporation, with a principal place of business at 575 Fifth Avenue, Fl. 27, New York, NY 10017-2452. Three of its four officers principally work from New York City: Mr. Schulz, Mr. Conrad, and Ms. Claffee. It performs consumer operations functions.

FACTUAL ALLEGATIONS

65. OneMain is one of the largest non-bank installment lenders in the United States, with more than 1,300 branches across 44 states.

66. OneMain sells and finances credit insurance and other add-on products in connection with originating and refinancing loans to consumers.

67. OneMain sells two categories of add-on products: (A) credit insurance products, such as credit life (pays OneMain the loan balance if the borrower dies), credit disability (makes some payments on a loan if the consumer becomes disabled for a covered reason, after a waiting

period), credit involuntary unemployment (likewise, due to unemployment), and Guaranteed Asset Protection (GAP) (on a car title loan, pays the debt or a portion of it if the car is declared a total loss and the auto insurance payout is less than the loan payoff); and (B) non-credit products, which do not relate to the loan, but purport to provide benefits and services to assist with certain events. The non-credit products include term life insurance plans, “Auto Plus” (similar to AAA), “Home and Auto Plus” (same), and “Silver Safeguard” membership plans (a grab-bag of lifestyle, health, and family related discounts and reimbursements).

68. OneMain, moreover, owns the companies that provide some of the add-ons. It owns American Health and Life Insurance Company, which underwrites its credit life product. And it owns Triton Insurance Company, which issues its involuntary unemployment insurance product.

69. OneMain profits in four ways from the sale of add-on products: (1) it significantly inflates the amount financed, thereby saddling consumers with hundreds of millions of dollars more in principal and interest; (2) it earns a sales commission on each policy, (3) it receives the underlying profits from the insurance business, and (4) it makes claims against the policies, avoiding potential loan defaults. The consumer, however, is not so lucky.

70. Often, it is not in the consumer’s best interest to purchase credit insurance or other add-ons, particularly when the consumer has an existing insurance policy or a AAA membership rendering OneMain’s product duplicative and unnecessary.

71. OneMain’s add-ons are extremely expensive. Its subprime borrower customer base frequently cannot afford them. For example, in 2022, OneMain charged consumers who received add-ons in Pennsylvania an average of \$800 per loan for add-ons, plus interest at an average annual percentage rate (APR) of 26%. For consumers who received add-ons in New Jersey during 2022, OneMain charged an average of \$826, plus interest at an average APR of 26.29%.

72. The interest cost of financing these add-ons often totals hundreds or even thousands of dollars. One borrower, for instance, took out \$2,730 in additional cash when they refinanced a \$2,770 existing balance. On the new loan, OneMain charged the consumer \$1,674 in premiums for four add-ons: credit life (\$219), credit disability (\$502), involuntary unemployment (\$480), and term life (\$473). To finance these add-ons, OneMain added \$1,170 in interest, resulting in a total cost of \$2,844 for the add-ons. In other words, for every \$100 in new cash this person borrowed, OneMain charged them \$104 for add-ons.

73. The above accounts are examples, but they are reflective of the widespread experience of many consumers, according to consumer interviews the Plaintiffs conducted and complaints consumers made to OneMain, to the Plaintiffs, and to other government agencies.

I. OneMain Misleads Consumers about Add-On Products and Charges Consumers Without Their Consent.

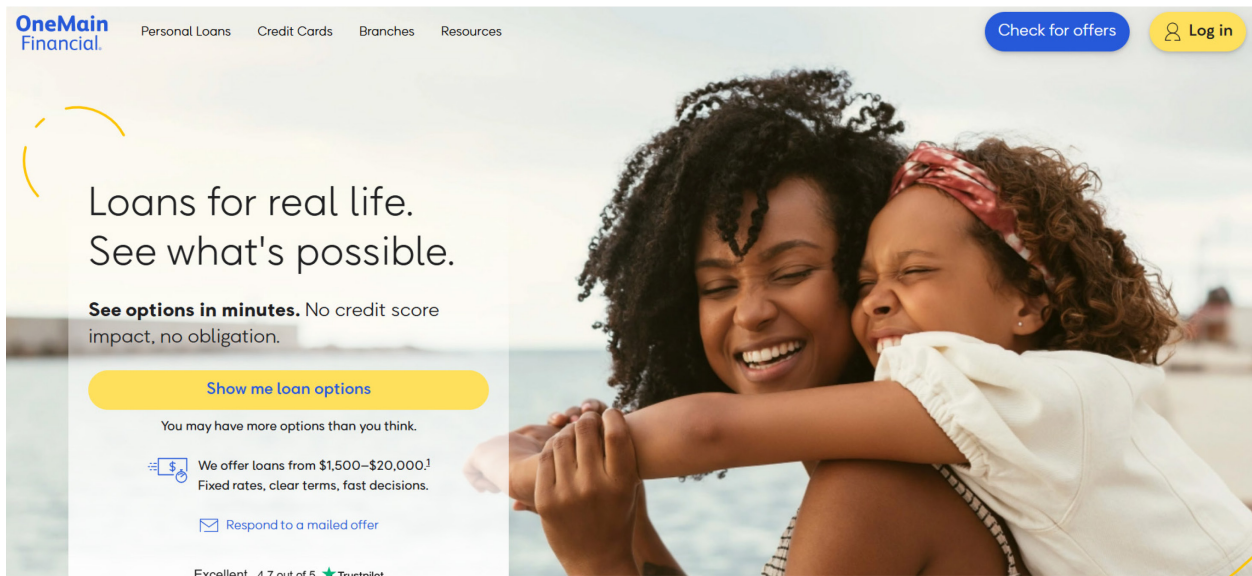
OneMain Commits a Bait and Switch by Advertising Only Its Loans and Then Packing Them with Add-On Products.

74. OneMain's policies and marketing materials ensure that a consumer who is seeking a loan will not realize that OneMain sells add-ons. The consumer thereby will not be on guard if the company packs their loan with add-on products.

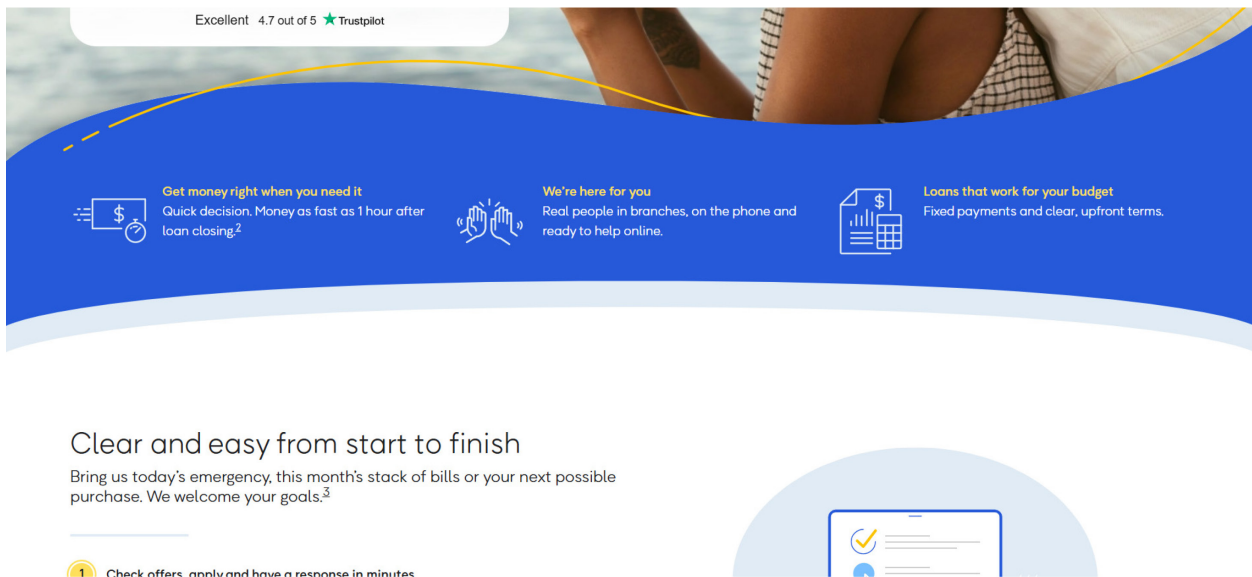
75. Prospective consumers reviewing OneMain's website are unlikely to discover that it sells add-ons. The following is typical language from OneMain's homepage, onemainfinancial.com, captured on February 19, 2026. The eight screen shots below show the homepage divided into the eight pages of scrolling that it takes to get to the bottom, using a 15.6-inch laptop running Windows 11's recommended display settings. Of course, many consumers use smaller laptops. Plaintiffs have reduced the screenshots to scale to fit the width of this page.

76. The screenshots show that OneMain advertises loans, not add-on products, on its website. What OneMain does prominently promise is “Loans for real life,” “Clear and easy from start to finish,” “In your corner,” and “Get ahead and stay ahead.”

Page 1:



Page 2:



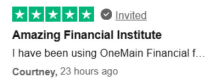
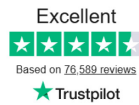
Page 3:

- 1 Check offers, apply and have a response in minutes.
- 2 Affordable options once we verify info.
- 3 Money in hand as fast as 1 hour after loan closing.

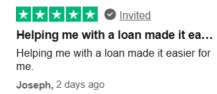
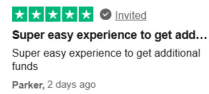
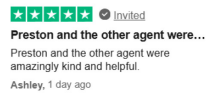


In your corner

Tens of thousands of customers say we're a lender you can lean on. Here are some favorites.



Showing our favorite reviews



Page 4:



Personal and Auto Loan Amounts¹

\$1,500-\$20,000

[See our loan amounts and fees](#)

Check for offers

This won't affect your credit score.

Get ahead and stay ahead

Access fresh ways to stretch your budget and make progress one win at a time.



Page 5:



Take your finances to the next level

Master your budget or study up on saving. It's your time to take control.

[Resources →](#)



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With Trim doing the hard work to slash bills (for free), customers saved an average of \$213/year.⁴

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Turn your payments into progress

Get rewarded for paying on time with BrightWay® — the credit card that grows with you.⁵

[Learn more →](#)



Get the money you need to move you forward

[Check for offers](#)

This won't affect your credit score.

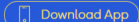
Page 6:

OneMain Financial.






Products	Company	Legal	Support
Personal loans	About us	Loan amounts and fees	Help Center
Credit cards	Careers	Legal & privacy center	Branch locator
Insurance	Investors	Disclosures	Military family support
Mortgage payment solutions	Affiliates	Credit bureau information	FAQs
Merchant referral program	Newsroom	Do not sell or share my personal information	
	Accessibility Statement		
	OneMain Reviews		



Page 7:

If you are using a screen reader and are having problems using the website please call [800-290-7002](tel:800-290-7002) for assistance.

OneMain Holdings, Inc.
601 NW Second Street
Evansville, IN 47708-1013

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For Housing Counselors in the State of Washington, please email us at the following link in regards to your customers loan modification status: RFModifications@onemainfinancial.com. Please ensure your

Disclosures

1 Not all applicants will qualify for larger loan amounts or most favorable loan terms. Larger loan amounts require a first lien on a motor vehicle no more than ten years old, that meets our value requirements, titled in your name with valid insurance. Loan approval and actual loan terms depend on your state of residence and your ability to meet our credit standards (including a responsible credit history, sufficient income after monthly expenses, and availability of collateral). APRs are generally higher on loans not secured by a vehicle. Highly-qualified applicants may be offered higher loan amounts and/or lower APRs than those shown above. Active duty military, their spouse or dependents covered by the Military Lending Act may not pledge any vehicle as collateral.

Example Loan: A \$6,000 loan with a 24.99% APR repayable in 60 monthly installments would have monthly payments of \$176.07. This example is based on an average customer with good credit.

Borrowers in these states are subject to these minimum loan sizes:
Alabama: \$2,100. **California:** \$3,000. **Georgia:** \$3,100. **North Dakota:** \$2,000. **Ohio:** \$2,000. **Virginia:** \$2,600.

Borrowers in these states are subject to these maximum loan sizes:
North Carolina: \$11,000 for unsecured loans to all customers; \$11,000 for secured loans to present customers. **Maine:** \$7,000. **Mississippi:** \$12,000. **West Virginia:** \$13,500. Loans to purchase a motor vehicle or powersports equipment from select Maine,

Page 8:

customer has provided us with authorization to work with you.

Mississippi, and North Carolina dealerships are not subject to these maximum loan sizes.

2 **Funding Options and Availability of Funds:** Funds within 1 hour of loan closing via SpeedFunds® requires disbursement to a bank-issued debit card; if paid by check or ACH, availability may take approximately 1-2 business days after closing, subject to bank deposit policy. SpeedFunds® is a registered trademark of OneMain Financial Holdings, LLC.

3 Loan proceeds cannot be used for postsecondary educational expenses as defined by the CFPB's Regulation Z such as college, university or vocational expense; for any business or commercial purpose; to purchase cryptocurrency assets, securities, derivatives or other speculative investments; or for gambling or illegal purposes.

4 Services provided by OneMain Trim, LLC d/b/a Trim by OneMain. Average savings are estimated from January 31, 2021 through January 30, 2022. To learn how savings were calculated, visit http://asktrim.com/OMF_FAQ.

5 BrightWay® is a registered trademark of OneMain Financial Holdings, LLC. The BrightWay credit card is issued by WebBank.

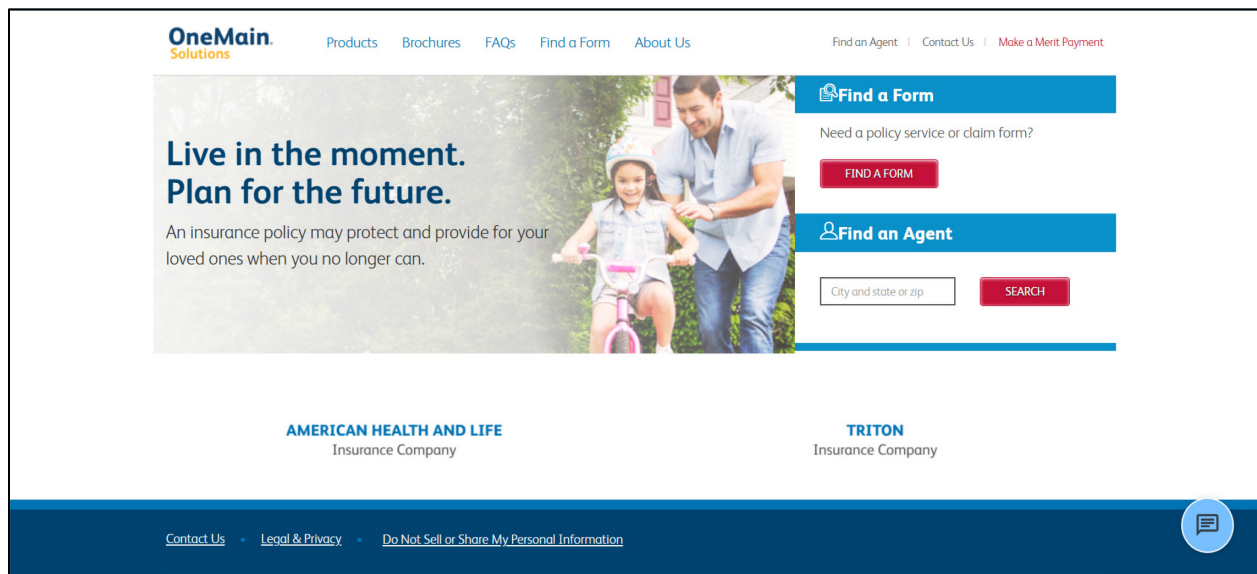
 Screen Share

77. On a smartphone, OneMain's homepage occupies just over 10 pages. Screenshots of the mobile view of OneMain's homepage are attached as Exhibit A.

78. The various options listed at the top of OneMain's homepage (Personal Loans, Credit Cards, Branches, Resources) do not mention its add-ons, nor would clicking on any of those offered options lead a consumer to any material about add-ons.

79. Consumers would only catch a glimpse of the website’s solitary reference to “Insurance” if they scrolled all the way to the fine print on page 6 of 8 (desktop) or page 7 of 10 (mobile). Sandwiched between “Credit cards” and “Mortgage payment solutions,” OneMain provides a link to “Insurance.” The context in which the “Insurance” link appears on OneMain’s website also suggests that “Insurance” is a separate product, distinct from the company’s “Personal loans,” “Credit cards,” and other products.

80. The tiny and barely noticeable “Insurance” link takes a consumer to an entirely separate website, www.onemainsolutions.com. Below is a screenshot of that website taken on February 19, 2026, using the same laptop described above:



81. The OneMain Solutions website does not refer to loans. That website, if anything, only obscures the nature of the “insurance” because it appears to offer insurance as a separate product.

82. Nothing on OneMain’s website gives consumers a reason to suspect that OneMain engages in a bait and switch of packing add-ons. There is nothing on OneMain’s website—nor has

there ever been anything—that warns consumers that OneMain will pack add-ons products into the loan without the consumer’s knowledge.

83. Likewise, a consumer would not learn of OneMain’s add-on products from the mailers it sends to potential customers because the company’s materials do not market the products.

84. OneMain’s marketing materials and website keep consumers in the dark about any product that OneMain sells other than loans.

OneMain’s Policies Compound the Lack of Warnings About Add-on Products by Keeping the Consumer in the Dark Until the Loan Closing.

85. Once a consumer calls or applies for a loan online, OneMain’s policy prohibits its employees from discussing add-on products at first. Only after employees “have communicated loan approval” can they “introduce the optional products.” Unlikely to learn online about add-ons and prohibited by policy from learning about them during loan approval, consumers reported that the first time they heard about the add-on products (if they did at all) was in the closing booth when the loan transaction was nearly complete.

86. Thus, to the extent OneMain employees mention add-ons at closing, it comes as a surprise. Consumers show up to closing without having the opportunity to review the terms of OneMain’s add-on products or to compare OneMain’s add-on products to products the consumers already may have, because they reasonably think they are just getting a loan. And OneMain’s bait and switch prevents consumers from setting aside adequate time for loan closing.

87. OneMain hides the critical terms and conditions of the add-on products deep in a stack of paperwork. By waiting to tell the consumer anything about products until they are in the branch (or on the phone), the company takes advantage of the built-in time pressure that financially

vulnerable consumers face. OneMain springs the add-on products on the consumer when they are ready to conclude the transaction and move on to other obligations—work, childcare, or errands.

88. In reality, OneMain’s process is the opposite of the website’s promise of “Clear and easy from start to finish.”

OneMain Packs Add-Ons into Consumers’ Loans by Hiding the Add-Ons, Implying that They Are Required, Misleading Consumers About the Price, and Hiding the Interest.

89. In addition to promising “Clear and easy from start to finish,” OneMain’s website promises “Fixed payments and clear, upfront terms.”

90. In reality, OneMain packs add-ons into many loans without obtaining consumers’ consent. OneMain’s add-on packing takes many forms. Sometimes, OneMain packs add-on products into consumers’ loans without their knowledge. At other times, OneMain tells consumers that add-on products are required to obtain the loan. In some instances, OneMain charges consumers for add-ons even if the consumer declines them. Yet other times, OneMain claims that consumers must acquire or decline add-ons in a single package because they cannot sell them individually.

91. When OneMain discloses the presence of the products, it often misleads consumers about the price and hides the interest cost. Sometimes it claims they are free. To the extent it discloses any price, it focuses consumers on only the monthly payment. Some consumers may know they are acquiring the products but do not understand the total cost of the products’ premiums and interest over the life of the loan.

92. Even the consumers who know the actual pre-interest cost of the premiums mistakenly believe those premiums represent the total cost of the products. But the premium is only a portion of the cost because each product also comes with hundreds or thousands of dollars in interest. OneMain never discloses the amount of added interest attributable to add-ons until after

the loan closing is complete (and per policy, up to three days after). Not surprisingly, the great majority of consumers the Plaintiffs interviewed were unaware that OneMain charges interest on the add-ons.

93. OneMain requires its employees to offer all add-on products to all consumers, even when the employee does not believe that the consumer will want them. OneMain also requires its employees to repeat the sales pitch for add-on products that consumers have already rejected on a prior loan.

94. A typical OneMain prospective customer would have no prior experience with single premium insurance because—outside of the subprime loan space—insurance products are not typically sold with single premiums and financed. Consumers who have life insurance, automobile insurance, or homeowner's insurance might be familiar with the concept of receiving a discount for paying annually or every six months. But insurance products that are sold separately from a loan are not sold with single premiums and financed. This is because it makes no financial sense for a consumer to pay the total premium upfront and then pay high interest rates for years on money borrowed to pay the upfront premium.

95. The Plaintiff States interviewed over one hundred borrowers who obtained OneMain loans. OneMain misled over three quarters of them regarding add-on products. The most common consumer reports were that: (1) OneMain failed to disclose that the add-on products were subject to additional interest; (2) OneMain misled consumers about the price of the add-on(s); and (3) OneMain charged consumers for add-on products they had declined or of which they were not aware.

96. Representative consumers in the Plaintiff States lodged public complaints with consistent stories reflecting the myriad ways OneMain misleads consumers. Below are some representative stories from consumers in the Plaintiff States:

a. “[OneMain] snuck in products such as gap insurance and other insurances and other fees that were completely not manageable financially for me to purchase I receive this loan during the Covid time when it began.”

b. “My loan agreement states I bought add ons which I didn’t know of. It also has extremely high interest rate. I feel like I keep paying and I’m getting no where.”

c. “I just learned that One Main Financial has been misleading and deceiving me with my loan for years now. [W]hen I applied for the loan originally, I was not told about the add-ons . . .”

d. “The loan amount and the payments are much higher than what I was told at signing [i]nitially, when I called the company, they told me it was for extra products on my account to which I never agreed to.”

e. “I took out a loan with OneMain Financial for \$6,000, which included mandatory add-ons like credit insurance and origination fees[.] . . . The forced addition of these products could be seen as a deceptive practice that increased my financial burden unnecessarily.”

f. “I felt like I was tricked into signing up for optional products: OneMain led me to believe that I could not receive a loan without signing up for an add-on product. I was told the add-ons were mandatory and came as part of my loan. I again asked if I could remove the add-ons but was told it wouldn^[’]t be possible.”

g. “I took a loan with one main financial a couple years ago and 1 condition of getting the loan was being required to purchase an insurance policy to pay the loan in the event of [losing] income.”

h. “[OneMain] added a towing service that I didn’t need. I told him I have a service with my insurance. He said if I didn’t get the tow service the loan wouldn’t go through.”

97. The loan data confirms what consumers allege. For example, many New Jersey consumers indicated the reasons they desired to cancel their add-ons were either because the products were not properly explained or because they were unaware they had been charged for them. New Jersey reviewed nearly 156,142 consumer loans taken out between 2019 and 2024. 57% (69,684) of those loans contained add-on products.

OneMain Has Attempted to Dissuade Customers from Cancelling Add-Ons.

98. Consumers who were unaware of the presence of add-ons in their loans were, of course, unaware of any cancellation rights to which they were entitled. And even consumers who were aware of the presence of add-on products in their loans were often not aware of their right to cancel the products.

99. If a consumer knew or discovered that OneMain incorporated add-ons into their loans and called to cancel, the company has sometimes attempted to dissuade the customer. OneMain misled consumers by telling them that there was little to no benefit to cancelling or removing add-on products, even though cancelling the products may have resulted in fewer payments overall, a lower interest cost on the loan, and an earlier payoff date.

100. Consumers reported that OneMain falsely represented that the process of removing add-ons was difficult and lengthy, when it was not complicated for OneMain to cancel or remove add-on products.

101. Some consumers reported that OneMain representatives refused to cancel add-on products or acted aggressively toward them when they attempted to cancel.

102. Consumers complained that OneMain impeded cancellation by, for example, stating that the company representative could not cancel the policy because the consumer had to call another phone number to do so. For example, a consumer complained that OneMain “refuse[d] to remove optional insurance from my account and tell[s] me to call them.”

103. Only in March 2024, long after OneMain was on notice as a result of a CFPB investigation and May 2023 consent order that it was misleading consumers about add-on cancellation refund rights, did OneMain implement changes to the cancellation process to address its long-standing conduct of hiding the cancellation right and impeding consumers’ efforts to cancel.

OneMain’s Rushed Electronic Closing Deprives Consumers of the Chance to Notice or to Understand the Add-On Charges or Pressures Them to Purchase Products They Do Not Want.

104. OneMain’s electronic closing process, which occurs both in its branch locations and over the phone, compounds the harm its inadequate disclosures cause. The process deprives consumers of a meaningful opportunity to notice and/or to understand the cost and terms of the add-ons as well as the service charges and other fees accompanying the loan.

105. OneMain loan closers rush through the documents containing the dense terms and conditions of the add-ons, depriving consumers of a reasonable opportunity to understand the terms and conditions and to make an informed decision as to whether to buy the add-ons.

106. OneMain's loan closing process appears to vary somewhat by branch, but many consumers told consistent stories about OneMain rushing them, leaving them inadequate time to review and understand the add-ons.

107. At in-person closings, the consumer sits with the OneMain representative, who often clicks through the loan documents on a computer screen. Many consumers stated that, when scrolling through the documents, OneMain had exclusive control over the pace and movement of the computer's displayed text of the add-ons and loan agreement terms. OneMain employees often moved through the pages quickly, telling the consumer where to electronically sign.

108. OneMain has written policies that purport to prevent unlawful add-on packing by prohibiting employees from controlling the screen, but the company's actual process often operates nothing like its written policies.

109. When asked, many consumer interviewees stated that, at in-branch closings, the OneMain representative controlled the scrolling and pace of the loan closing. One consumer, for example, described the process from an April 2025 loan closing in a complaint as follows: "The loan was signed on a shared screen, quickly scrolled by a representative. I was not given a chance to review or initial individual pages."

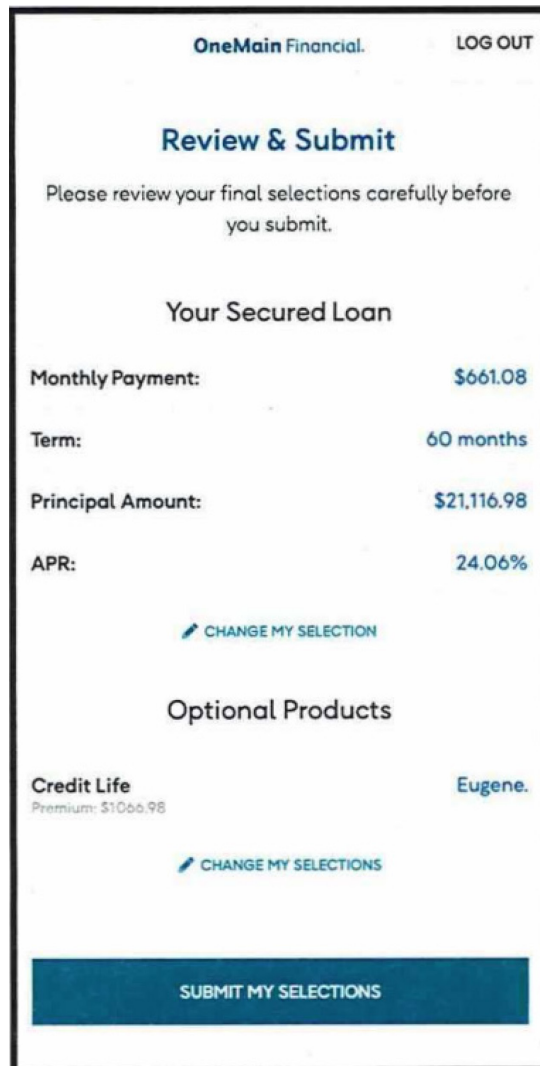
110. OneMain has the consumer sign an "Electronic Loan Closing Attestation Form" at the end of the closing process and its flurry of fine print. The attestation form contains fine print asserting that OneMain did not perform any action on the consumer's behalf to *electronically sign the loan documents*. But e-signing the loan documents is only a small part of the loan closing, and the form does not assert that OneMain did not control the screen prior to signing the documents. Put otherwise, consumers attest only that OneMain did not click to sign for them. And in any event,

this attestation is one of a series of fine print documents that OneMain does not afford consumers an adequate opportunity to review and understand.

111. OneMain is trying to have its cake and eat it too: by having a written policy prohibiting employees from controlling the documents, it can claim to have a policy that prevents malfeasance. But by failing to enforce the policy—or by willfully looking the other way—OneMain incentivizes its branch-level employees to do whatever it takes to pack add-on products into its customers’ loans.

112. Those loan closings that occur by phone include a “digital loan close” process, which often provides consumers even less opportunity to read and understand the loan documents. OneMain calls these “employee-assisted remote closings” and uses a system called LOOP to process them. From January 1 to August 10, 2023, over one-third of the loans OneMain closed in Pennsylvania were remote closings.

113. The screenshot below shows what the LOOP system looks like. The screenshot below is shown in the actual 2.81 inches x 5.89 inches size of an iPhone 17.



114. Like the in-branch closing process, OneMain’s remote closing process deprives consumers of the information they need to understand the cost and terms and conditions of the add-on products. As shown above, the system focuses the borrower’s attention on the monthly payment amount. It does not disclose the total of payments, nor does it disclose the cost of interest attributable to the add-ons (or the total interest, for that matter). And even the partial disclosure of the add-on price (“Premium: \$1066.98”) is in tiny print, far from the other dollar amounts, in a nearly transparent font.

115. In a remote closing, OneMain asks the consumer to “agree” to the add-ons based only on the oral (unrecorded and unscripted) representations of the OneMain salesperson. The LOOP system provides no written disclosure of the add-on terms and conditions until *after* the consumer has ostensibly agreed to the purchase.

116. OneMain often presents the loan documents during remote closings through the consumers’ small smartphone screens with text that is difficult or impossible for the consumer to squint enough to read. Font sizes that are already small (eight point) disappear into a shadow of illegibility when the 8.5 inches x 14 inches (legal size) pages shrink down to squeeze within a phone screen often less than three inches wide. Some consumers even reported that OneMain controlled the phone screen during a LOOP closing.

117. Below, shown in the actual 2.81 inches wide by 5.89 inches tall size of an iPhone 17, is how OneMain's fine print appears during a loan by phone closing:

The left screenshot shows the 'Electronic Consent Agreement' page. The header includes the status bar with signal, Wi-Fi, and battery icons, and the address bar with 'iainfinancial.com'. The page title is 'Page 1 of 2'. The main content area contains the 'Electronic Consent Agreement' text, which includes sections for 'Electronic Documents and Signatures', 'Required Information You Will Receive Electronically', 'Paper Copy of Required Information Available Upon Request - No Charge', 'ACI Disbursement', 'Withdrawing Your Consent', and 'Updating Your Contact Information'. A 'Scroll to end of document' button is at the bottom. The footer contains 'Legal & Privacy Disclosures' and 'Copyright ©1996-2023. All rights reserved.'

The right screenshot shows the 'LOAN OFFER SUMMARY' page. The header includes the status bar with signal, Wi-Fi, and battery icons, and the address bar with 'iainfinancial.com'. The page title is 'LOAN OFFER SUMMARY'. The main content area contains the loan details, including the 'Principal Amount of My Loan' (\$3,792.87), 'Interest Rate' (25.00%), 'Annual Percentage Rate' (28.20%), 'Term of Loan' (62 months), and 'Monthly Payment' (\$136.38). It also includes a 'Renewal' section and a 'CLICK HERE TO SIGN' button. The footer contains a '< Back' button.

118. Consumer interviewees stated that the pace at which OneMain went through the loan documents over the phone did not give them sufficient time to read them.

119. OneMain, moreover, almost never records its loan closings—neither in-person, nor over the phone.¹ That means OneMain keeps no record of its employees’ conduct and cannot correct their misconduct. And OneMain employees know that too.

120. Although OneMain’s closing packets include disclosures about some of the terms of the add-on products, OneMain’s rushed closing process buries the disclosures about the add-ons in a flurry of electronic documents. This leaves consumers unaware of the terms, or existence, of the products packed into their loans.

121. Even if consumers had the time to read and understand the terms and obligations contained in the insurance and loan agreements, OneMain does not simultaneously provide consumers with a printed copy of those documents to review at their own pace. Consumer interviewees stated that printed documents were provided only after the closing was complete. As a result, consumers frequently must rely on OneMain’s oral representations, which are often false, incomplete, or misleading.

122. Some consumers reported that OneMain employees presented the loan documents with add-on products already included. This could potentially happen because the employee could click through the add-on selection process before turning the screen to the consumer. And since OneMain does not record closings, there would be no record of the misconduct.

123. OneMain has a policy that it claims should prevent employees from making add-on selections for the consumer: at the end of the closing process and its flurry of fine print, OneMain has the consumer sign an “Electronic Loan Closing Attestation Form.” But the form says nothing about whether the OneMain employee controlled the screen or mouse during the add-on

¹ OneMain records a small percentage of closings (6% of PA closings Jan. 1 to Aug. 10, 2023) that are conducted by a central call center. Closings are routed to this location if a nearby branch is busy or there is no branch near the consumer.

selection process. The attestation form contains fine print asserting that OneMain did not perform any action on the consumer's behalf to *electronically sign the loan documents*. But e-signing the loan documents is only a small part of the loan closing, and the form does not assert that OneMain did not control the screen prior to signing the documents. Put otherwise, consumers attest only that OneMain did not click to sign for them. And in any event, this attestation is one of a series of fine print documents that OneMain does not afford consumers an adequate opportunity to review and understand.

124. Once the products are included, the add-on agreement terms and conditions are buried amidst dozens of pages of eight-point fine print in the loan documents. The company then removes the add-ons only if the consumer catches their inclusion and requests their removal.

125. Consumer complainants and interviewees frequently stated that OneMain employees rushed through closings and pushed consumers to purchase add-on products without disclosing the material terms.

126. One consumer, for example, explained that the OneMain employee quickly ran them through the loan application and did not give them enough time to read the disclosures. The consumer stated that they were unable to read as fast as the OneMain representative was controlling the speed of the clicking.

127. Another consumer similarly stated that the process was a blur—a rushed and speedy process where the OneMain representative was speaking quickly. The consumer stated that they would not have purchased the add-on products had they understood the terms of the products.

128. A third stated that the OneMain representative clicked through the loan application quickly and summarized in their own words what they wanted the consumer to know about the

product. The consumer stated that printed loan materials were provided to them only after OneMain closed the loan.

129. Another consumer stated that they did not know what, if anything, they signed regarding add-on products because they conducted the closing over the phone and the fine print appearing on the consumer's phone was too small to read.

130. Before and during the process of having consumers e-sign documents, OneMain inundates them with page after page of disclosures that do not require any decisions by the consumer and provide no information about the cost of the add-ons. The effect of this practice is to bury the add-on disclosure documents amidst a mountain of legalese. In the following example, OneMain presented the consumer with nine documents, which totaled 20 pages and 9,156 words:

	Document Title	Pages	Words
1.	Electronic Consent Agreement	2	1,183
2.	Customer Referral Program Terms & Conditions	1	461
3.	Precomputed Interest Explainer	1	474
4.	OneMain Privacy Notice	3	892
5.	Insurance Privacy Notice	2	938
6.	Credit Score Exception Notice	1	334
7.	Notice Regarding Debt Consolidation	1	108
8.	Involuntary Unemployment Insurance Certificate	4	3,243
9.	Optional Product Summaries	3	1,523

131. The timestamps on consumers' electronic signatures in OneMain loan files produced to Plaintiffs often show that OneMain gives consumers very little time to read complex add-on disclosures before the consumers purportedly agreed to purchase the products by e-signing. In one loan from November 2022, for example, the OneMain employee sped the consumer through the loan paperwork, giving the consumer only seconds to read the complex terms that governed

the consumer's obligations. The timestamps for the consumer's e-signatures at sequential parts of the loan documents are below:

	Document Title	Time²	Words
1.	Loan Offer Summary	1:23:51	291
2.	Loan Proceeds Disbursement Authorization	1:24:00	654
3.	Loan Application	1:24:13	1,438
	Page 2	1:24:20	
4.	Truth in Lending Insurance & Debt Cancellation (GAP) Coverage Disclosure	1:24:31	491
	Page 1	1:24:35	
	Page 1 (initials)	No timestamp	
5.	Loan Agreement and Disclosure Statement	1:25:21	7,004
	Page 6	1:25:29	
6.	Credit Life Insurance Certificate	1:25:47	4,081
7.	Involuntary Unemployment Application	1:26:11	690
8.	Optional Products Disclosure Summary	1:26:35	413
9.	Electronic Loan Closing Attestation Form	No timestamp	314

132. OneMain rushed that consumer through 13 signature/initial pages on nine different documents—a total of 18 pages and 15,376 words—in just under three minutes. That is hardly enough time for OneMain to describe what each of the documents is, let alone give the consumer a chance to read and understand them.

133. When OneMain is not flying through the add-on disclosures, it refuses to take no for an answer. OneMain provides its employees with an “Optional Product Sales Frequently Asked Questions” that pressures its employees to sell optional products until consumers say “no,” i.e., “object,” at least *three times* during the loan process. After the first “no,” the policy instructs that the salesperson may “establish a reason why so they may attempt to address the concern or objection.” If the consumer says “no” a second time, OneMain’s policy instructs that the

² Plaintiffs have converted the timestamps, which the loan file lists in Greenwich Mean Time in a 24-hour format, to Eastern Standard Time in a 12-hour format.

salesperson may engage in an open-ended “attempt to ensure the customer understands the features, benefits and exclusions” of the add-ons. The OneMain representative is directed to cease the sales pitch only after the consumer objects a third time:

What if the customer initially declines (“objects”) to purchase the optional product being offered?

- a. The team member is permitted to establish a reason why so they may attempt to address the concern or objection.
- b. In the event the customer declines after the original objection is addressed, the team member may attempt to ensure the customer understands the features, benefits and exclusions of the optional product.
- c. If the customer still objects to the purchase of a product a second time after you have made the attempt to ensure product understanding and resolve concerns, the team member must cease efforts to sell the product.

134. And despite the permissive language in that policy, OneMain imposes pressure on employees to require three objections in practice. The same policy also provides that employees may be disciplined for failing “to make a first-class, quality presentation . . . to all eligible consumers.” Put otherwise, the company’s policy seems to pressure its loan closers to force consumers to “object” to add-ons three times.

135. Worse, only an explicit “assertion that a customer does not want to purchase the optional product” counts as an objection. By contrast, OneMain’s policy does not consider many other statements from consumers clearly expressing an unwillingness to purchase the products to be “objections.” It considers, for instance, “a statement . . . from a consumer” that “I have enough insurance through work,” to be a “concern.” But a concern is not an objection. OneMain instructs its employees that a “concern” does not count as an “objection” that counts toward the three-objection minimum.

Note: A concern is a statement or question from the customer that suggests the need for the team member to provide more information or make a clarification. For example, the customer may say “I wouldn’t be eligible for that” or “I have enough insurance through work.” An objection is an assertion that a customer does not want to purchase the optional product, like “I do not want to purchase those products,” “no thank you,” or “I am not interested.”

136. And the company has no policy on when its employees must desist in pressuring consumers who express “concerns” that fall short of “objections.”

One Main Hides the Terms and Conditions of the Add-On Products Until the End of the Closing Process.

137. As alleged above, OneMain charges many consumers for add-ons without the consumers knowing that these products are in their loans or understanding their cost.

138. But even when OneMain tells consumers it is charging them for add-ons, it hides the terms and conditions of the products until the very end of the loan closing process.

139. OneMain’s policy requires employees to wait until consumers are in the booth or on the phone and ready to close their loans before telling them anything about the products that the company adds to their loans, raising their borrowing costs by as much as thousands of dollars.

140. OneMain’s policy also mandates that, when consumers are in the booth or on the phone, its employees present only limited information about the add-ons through a screen in front of the consumer in branches or on the consumer’s phone or computer during phone closings.³

141. The policy, if adhered to, then requires the consumer to make selections based on very limited information. That information does not, for example, include the price of the add-on products with interest or a description of what the product does, or its limitations, beyond the name of the product. The loan closer must then pitch the products with oral representations or limited information provided on brochures or similar materials.

142. OneMain’s policy thus forces consumers to decide whether to accept the add-on products based on these very limited disclosures.

³ Closing, as defined in this Complaint, means the period in which the consumer is in the OneMain office or on the phone originating the loan.

143. OneMain then twice “confirm[s]” the customer’s selection based on those incomplete disclosures that exclude the full terms and conditions and the complete pricing information. First, OneMain makes the consumer (or the employee clicks for the consumer to) “confirm[]” whether they want one or more add-ons. Next, it requires the employees to “confirm the customer selections with a signature,” once more.

144. Much later in the closing process, only after the consumer has signed the Truth in Lending Insurance Disclosure and Loan Agreement that purports to bind the consumer to borrow the money to purchase the add-on products, does OneMain finally show the consumer the “optional product certificates, contracts or applications related to add-on products the customer selected.”

T. Ask the customer to perform the following:

1. Sign in to the eSignature system using their social security number
2. Review the following and electronically sign and initial, as applicable:
 - a. e-Consent Agreement
 - b. Application
 - c. Truth in Lending Insurance Disclosure
 - d. Loan Agreement
 - e. Any optional product certificates, contracts or applications related to optional products the customer selected
 - f. Optional Products Disclosure Summary
 - g. Optional Product Purchase Funds Authorization Form

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145. The policy, moreover, does not instruct employees to tell consumers they can change their minds later, when they review the documents that contain the full disclosures.

146. Even if a consumer were inclined to change their mind based on the exclusions and limitations finally disclosed in the certificates, the timing of the disclosures at the very end of the process after the consumer has already selected the products is likely to give consumers the misimpression that the signing of the certificates is merely a formality.

147. And if a consumer has second thoughts at the end of this process, OneMain, according to consumer interviews, sometimes represents that it would be laborious and time-consuming to remove the add-ons and redo all the paperwork.

OneMain Misleads Consumers About the Money It Receives from Add-On Charges.

148. OneMain further deceives the consumer by hiding who is paid for the credit insurance add-on products.

149. OneMain identifies in its loan agreements the “Amounts” of the credit insurance “paid to others on my behalf” and notes the insurance company the amount is “Paid To.”

150. But this is misleading. OneMain retains a substantial portion of that cost, keeping a cut of the sale as a commission.

151. In addition, OneMain regularly retains 100% of the disclosed credit insurance premium because it owns the insurance company to which the premium is “Paid.” OneMain owns American Health and Life Insurance Company and Triton Insurance Company, which contract with OneMain to provide credit life and involuntary unemployment insurance, respectively. Put otherwise, when OneMain pays the “Amounts paid to others,” it is really paying itself.

152. The company adds an asterisk, but that only creates further confusion. OneMain notes that it “may retain a portion of these amounts,” when in reality it always does. What OneMain “may” retain is 100% of the premium. And that, it does not disclose.

153. OneMain, moreover, never discloses that it retains a portion of the non-credit premiums. And this too it always does.

ITEMIZATION OF AMOUNT FINANCED			
Amounts paid to others on my behalf			
1. \$	543.82	Single Life Premium	Paid To LIFE INSURANCE COMPANY *
2. \$	1771.10	Single Disability Premium	Paid To DISABILITY INSURANCE COMPANY *
3. \$	1561.19	IUI Premium	Paid To INVOLUNTARY UNEMPLOYMENT INS. CO. *
4. \$	NONE		Paid To
5. \$	NONE		Paid To
6. \$	NONE		Paid To
7. \$	NONE		Paid To
8. \$	NONE		Paid To
9. \$	NONE		Paid To
10. \$	NONE		Paid To
11. \$		Paid To	
12. \$		Paid To	
13. \$		Paid To	
14. \$		Paid To	
15. \$		Paid To	
16. \$		Paid To	

* Lender may retain a portion of these amounts.

OneMain's Non-Credit Add-On Product Disclosures are Particularly Deceptive.

154. OneMain's disclosure in the Loan Agreement of the cost of its non-credit products particularly confusing. As shown above, OneMain lists all of the *credit* insurance products in the section of the Loan Agreement's Truth in Lending Disclosures titled "Amounts paid to others on my behalf." But, as shown below, the company lists all the *non-credit* insurance products in the section titled "Amounts Paid to me," even though OneMain pays the amounts to the add-on product provider. And instead of listing the company that the amount is "Paid To," OneMain lists the non-credit product fee as "Paid To ME." In reality, OneMain pays it to the add-on provider—and retains a commission for OneMain.

Amounts Paid to me			
26. \$	1077.00	** Paid To ME	**For the purchase of the non-credit insurance(s) or other product(s) I requested, or I may keep the funds.
27. \$	4724.67	Paid To [REDACTED]	
28. \$		Paid To	
29. \$		Paid To	
30. \$		Paid To	
31. \$		Paid To	
\$	23953.11	Amount Financed (Sum of lines 1 - 24, 26 - 31)	
\$	879.06	Prepaid Finance Charges (itemized below)	
PREPAID FINANCE CHARGES			
1. \$	879.06	Loan Origination Fee	Paid To LENDER
2. \$	NONE		Paid To

(The redacted text is the consumer's name.)

155. The company notes in an asterisk that the itemized payment to "ME" is "[f]or the purchase of the non-credit insurance(s) or other product(s) I requested, or I may keep the funds." That disclaimer does not cure the confusion of the straightforwardly false statement that the funds

are “Paid to ME.” That disclaimer, moreover, is just another fine-print line in a voluminous record the company glosses over. Unsurprisingly, consumers reported that OneMain did not make them aware of any right to retain these funds.

OneMain Hides the Interest Cost and Therefore the True Price of Add-Ons.

156. Because OneMain charges for add-ons using upfront charges (single premiums or fees) that it tacks onto the amount financed, the true cost of the add-on products includes the interest that the consumer is obliged to pay over the life of the loan.

157. OneMain misleads consumers about the cost of the add-ons by hiding the fact that it charges interest on top of the premiums and fees. The interest attributable to these add-ons is frequently in the hundreds or even thousands of dollars.

158. As discussed above, a significant majority of consumers the Plaintiffs interviewed were completely unaware that OneMain charged them interest on the amount borrowed to pay for the add-on products. And many of those same consumers would not have purchased the add-ons if OneMain had explained that the products come with interest and disclosed their true dollar cost.

159. Moreover, even for a rare consumer who realizes that OneMain charges interest on the full amount of the premium, at no point in the sales or closing process does OneMain tell the consumer the dollar amount of interest they will have to pay to finance the add-ons. Nor does the loan-closing disclosure contain this information.

LOAN AGREEMENT AND DISCLOSURE STATEMENT

OneMain Financial.

DATE 05/22/24	ACCOUNT NUMBER [REDACTED]	TYPE OF LOAN (Alpha) E 00	DATE FINANCE CHARGE BEGINS TO ACCRUE 05/22/24
LENDER/SECURED PARTY NAME AND ADDRESS ("Lender")		BORROWER(S) NAME AND ADDRESS ("I", "We")	
ONEMAIN FINANCIAL GROUP, LLC 10740 MERIDIAN AVE N STE 105 SEATTLE, WA 98133-9010		[REDACTED]	
206-362-4566			

I have carefully read this entire Loan Agreement And Disclosure Statement and all related documents which include the Optional Products Disclosure Summary, Truth In Lending Insurance Disclosure and, if applicable, Personal Property Appraisal Form and GAP Waiver Addendum, all of which collectively constitute the "Agreement." This Loan Agreement and Disclosure Statement is divided into four sections: **A. Truth In Lending Disclosures; B. Loan Terms And Conditions; C. Arbitration Agreement And Waiver Of Jury Trial and D. Entire Agreement/Notices/Signature.** If I had any questions, I asked them before I signed these documents. By signing, I indicate my agreement to the statements, promises, terms, and conditions contained in the Agreement.

A. TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of my credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost me.	AMOUNT FINANCED The amount of credit provided to me or on my behalf.	TOTAL OF PAYMENTS The amount I will have paid after I have made all payments as scheduled.
26.80%	\$ 19947.97	\$ 23953.11	\$ 43901.08

My Payment Schedule will be:

Number of Payments	Amount of Payments	When Payments Are Due
1	\$ 898.93	07/01/24
59	\$ 728.85	monthly beginning 08/01/24

LATE CHARGE: ☒ If any payment is not paid in full within 10 days after its due date, I will be charged 10.00 % of the unpaid amount of the payment, but not more than \$N/A or less than \$N/A.

☐ If any payment is not paid in full within ____ days after its due date, I will be charged \$ ____ if the entire scheduled payment exceeds \$ ____ or \$ ____ if the entire scheduled payment is \$ ____ or less.

PREPAYMENT: If I pay off early: ☐ I may ☒ I will not have to pay a penalty for prepaying all or part of a loan's principal balance.
☒ I may ☐ I will not get a refund or credit of part of the finance charge for a prepayment in full. I will not receive a refund or credit for a partial prepayment.

SECURITY: I am giving Lender a security interest in: ☒ Unsecured ☐ Motor Vehicles ☐ Other Collateral

Year	Make	Model	VIN/Serial No

See the remainder of this Agreement for any additional information about nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties, if any.

ITEMIZATION OF AMOUNT FINANCED

Amounts paid to others on my behalf			
1. \$ 543.82	Single Life Premium	Paid To	LIFE INSURANCE COMPANY *
2. \$ 1771.10	Single Disability Premium	Paid To	DISABILITY INSURANCE COMPANY *
3. \$ 1561.19	IUL Premium	Paid To	INVOLUNTARY UNEMPLOYMENT INS. CO. *
4. \$ NONE		Paid To	
5. \$ NONE		Paid To	
6. \$ NONE		Paid To	
7. \$ NONE		Paid To	
8. \$ NONE		Paid To	
9. \$ NONE		Paid To	
10. \$ NONE		Paid To	
11. \$	Paid To		
12. \$	Paid To		
13. \$	Paid To		
14. \$	Paid To		
15. \$	Paid To		
16. \$	Paid To		
17. \$	Paid To		
18. \$	Paid To		
19. \$	Paid To		
20. \$	Paid To		
21. \$ 14275.33	Paid To Amt Paid on Prior Account with Lender [REDACTED]		
22. \$	Paid To		
23. \$	Paid To		
24. \$	Paid To		
25. \$ 14275.33	Total Paid on Prior Account(s) with Lender		
Amounts Paid to me			
26. \$ 1077.00 **	Paid To ME		
27. \$ 4724.67	Paid To [REDACTED]		
28. \$	Paid To		
29. \$	Paid To		
30. \$	Paid To		
31. \$	Paid To		
\$ 23953.11	Amount Financed (Sum of lines 1 - 24, 26 - 31)		
\$ 879.06	Prepaid Finance Charges (itemized below)		
PREPAID FINANCE CHARGES			
1. \$ 879.06	Loan Origination Fee	Paid To	LENDER
2. \$ NONE		Paid To	
3. \$ NONE		Paid To	

* Lender may retain a portion of these amounts.

**For the purchase of the non-credit insurance(s) or other product(s) I requested, or I may keep the funds.

160. Effectively, it is nearly impossible for the consumer to ever understand the true price of the add-ons because OneMain hides the applicable interest within the larger (in the above case, nearly \$20,000) finance charge. Identifying the interest applicable to add-ons requires complex calculations that are difficult for the consumer to do during a rushed closing.

161. As shown in an exemplar loan agreement above, the fine print shows only the itemized premiums and fees for the add-ons, not the total of add-on premiums and fees or the portion of the interest attributable to the add-ons. In this loan, OneMain charged the consumer \$4,953 for four add-ons. (This add-on total is never disclosed, so the consumer could only figure it out by adding up the itemized amounts, including the \$1,077 paid to OneMain but disclosed as “Paid to me.”) OneMain, however, never discloses the \$4,125 in additional interest and origination fees that are attributable to the \$4,953 in add-on charges.⁴ This leaves the consumer unaware that the *real* cost of the add-on products is \$9,078. Instead, OneMain hides the interest attributable to the add-on products in the \$19,948 disclosed finance charge for the whole loan.

162. As discussed below, OneMain only tells consumers the *actual* price of each add-on product with interest up to three days after the loan has closed, through a letter or phone call. And OneMain started doing so only in April 2024, after the CFPB issued a consent order against it for unlawful add-on product sales practices.

OneMain Always Labels the Cost of Add-ons as Part of the Amount Financed, Ignoring TILA’s Requirement to Disclose Required Products as Part of the Finance Charge.

163. As described above, OneMain charges many consumers for add-on products under the pretense that the products are part of, included in, or incident to their loan. Its employees tell some consumers the products are mandatory. They tell others that the products are free or included.

⁴ For each loan, interest attributable to add-ons was calculated by dividing the disclosed finance charge by the disclosed amount financed (including add-ons) and then multiplying that ratio by the add-on charges. Throughout this Complaint, cents are rounded to the nearest dollar.

And they tell many consumers nothing at all about the products, leaving consumers completely unaware of the cost.

164. No matter which scenario, the consequence is the same: OneMain packs the products as “a condition of or an incident to the extension of credit.”

165. That means the products constitute part of the finance charge.

166. Under TILA and Regulation Z, a lender must include in the finance charge any credit insurance premium that it charges as “as a condition of or an incident to the extension of credit.” 12 C.F.R. § 1026.4(a)(1)(i). Lenders may exclude credit insurance premiums from the finance charge only if “[t]he insurance coverage is not required by the creditor.” *Id.* at (d)(1). Because OneMain regularly does not give consumers the opportunity to decline the products, it effectively requires them to acquire the add-ons in those instances.

167. But, even in those instances, OneMain does not disclose the cost of the add-ons as part of the finance charge. It instead includes the add-on cost as part of the amount financed.

168. In such instances, OneMain is therefore disclosing inaccurate finances charges.

169. The failure in such instances to include the cost of add-ons in the finance charge results in OneMain disclosing inaccurate APRs.

170. OneMain therefore misleads consumers about the finance charge and APR of such loans, in violation of Regulation Z. *Id.* at § 1026.18(d), (e).

II. OneMain Has a Long History of Unlawful Add-On Packing Conduct.

171. OneMain’s add-on packing constitutes fundamentally the same unlawful conduct that OneMain and its corporate predecessors have engaged in for decades. This long history demonstrates that, without court intervention, OneMain will not reform its practices.

172. OneMain's corporate predecessor was a company called The Associates, which Citigroup purchased in 2000 for \$31 billion. Citigroup renamed it OneMain Financial in 2011. Four years later, Citigroup sold OneMain for \$4.25 billion to private equity firm Fortress Investment Group, which combined OneMain with Springleaf Holdings and kept the OneMain brand. The combined company became the largest subprime lender in the United States.

Corporate Predecessor: The Associates / Citigroup – 1995 to 2001

173. In September 2000, when Citigroup announced its intent to purchase The Associates, consumer advocates and members of Congress asked federal bank regulators to scrutinize the allegations that The Associates had been engaging in predatory lending. In response to accusations that The Associates had been packing credit insurances, Citigroup's chief administrative officer said that in any large sales force, "you're going to have some people who don't do the right thing."

174. Citigroup acknowledged that The Associates has engaged in unethical add-on sales methods and pledged to require its employees to adhere to stricter lending guidelines. But the add-on misconduct continued unabated.

175. When Citigroup acquired The Associates, the latter was already facing widespread accusations of credit insurance packing. Numerous regulatory authorities were investigating The Associates, including state attorneys general, the FTC, and the United States Department of Justice. And Georgia's insurance regulator had already fined The Associates for violating state insurance regulations. The Associates, moreover, had faced more than 700 private lawsuits.

176. In March 2001, the FTC sued The Associates and its affiliates in the United States District Court for the Northern District of Atlanta, alleging that they had violated the FTC Act by engaging in widespread add-on packing. For example, the FTC alleged that, "[u]ntil at least mid-

1998, The Associates trained its employees to quote a monthly payment that included the cost of credit insurance” and that, “[t]he Associates trained its employees to state only the ‘benefits’ of the credit insurance and not to mention the costs or limitations on coverage.”

177. A year later, Citigroup agreed to settle the FTC lawsuit by paying \$215 million (\$386 million in 2026 dollars) in refunds to consumers whom The Associates had charged for credit insurance between 1995 and 2000. At the time, it was the largest FTC consumer protection settlement in history. Citigroup also paid \$25 million (\$45 million in 2026 dollars) to consumers whose mortgage loans The Associates had unlawfully refinanced over the same period.

178. In September 2001, The Associates also settled with the North Carolina Attorney General for \$20.3 million (\$37 million in 2026) to resolve allegations of add-on packing. Under the settlement, North Carolina residents who purchased single premium credit insurance from The Associates between August 1995 and July 2000 were eligible to receive a refund of the premium, depending on whether they ever filed a claim for the insurance. About 9,000 state residents were eligible, meaning that The Associates paid refunds worth an average of \$4,100 per consumer in today’s dollars.

179. In 2001, under pressure from consumer advocates and some lawmakers and regulators, Citigroup announced it would stop selling single premium credit insurance. This change, of course, proved to be only temporary.

180. Between the North Carolina and FTC settlements alone, Citigroup paid \$423 million in refunds (in 2026 dollars) to victims of its add-on packing conduct.

Corporate Predecessor: American General Financial – 1990s to 2000s

181. OneMain’s other corporate ancestor is American General Financial, which also faced multiple lawsuits in the 1990s accusing it of add-on packing.

182. American General Financial was owned by the massive insurance company AIG that became a symbol of the financial industry's recklessness during the global financial crisis.

183. In 2010, AIG sold American General Finance to Fortress Investment Group, which rebranded the company as Springleaf Financial, later becoming OneMain.

OneMain Financial – 2011 to Present

184. At some point after it agreed to stop selling single premium credit insurance in 2001, OneMain started packing add-ons into consumers' loans again.

185. OneMain appears to have the same corporate culture and many of the same practices that it had when it settled with North Carolina and the FTC.

186. In May 2023, OneMain settled with the CFPB to resolve allegations of misconduct relating to add-on packing and cancellation processes. In the consent order, which OneMain agreed to but "without admitting or denying any of the findings of fact or conclusions of law," the CFPB found that OneMain illegally withheld the interest amounts due to certain consumers who had cancelled their add-on products.

187. In the consent order, the CFPB also found that OneMain was engaged in the same add-on packing in which it had been engaged for decades, and which are the subject of this lawsuit.

188. For example, the CFPB concluded that OneMain "(1) expressly represent[ed] to some Customers that they must purchase Optional Add-On Products to receive a loan, or (2) add[ed] Optional Add-On Products to loans without informing some Customers that the products had been added or that they were optional." The CFPB concluded that OneMain's "written disclosures of the optional nature of the products did not correct the misrepresentations made by its employees to some Customers."

189. The CFPB concluded that OneMain’s misrepresentations were material because the add-ons increased the cost of the loan and, “had Customers known the Optional Add-On Products were optional, or that the Optional Add-On Products had been added to their loan without their knowledge and consent, many would have declined the purchase.”

190. The CFPB also concluded that in “numerous instances” OneMain employees had engaged “in high-pressure sales tactics, speeding through written disclosures, adding unrequested Optional Add-On Products to some Customers’ loans, and misrepresenting to some Customers whether Optional Add-On Products had been added to Customers’ loans or that these products were optional.”

191. The CFPB determined that OneMain’s “statements and practices contradicted [OneMain’s] written disclosures and hindered Customers’ ability to understand whether they had purchased, or were required to purchase, Optional Add-On Products. Some customers reasonably believed that they must purchase an Optional Add-On Product to receive a loan, or that they have been given a loan that did not include an Optional Add-On Product. In fact, the Optional Add-On Products were optional and sometimes pre-packed into their loan.”

192. But despite these findings of misconduct related to add-on products at *loan closing*, the CFPB consent order focused primarily on requiring changes to OneMain’s *cancellation* processes and post-origination disclosures. It required OneMain to pay refunds for only cancellation-related misconduct.

193. OneMain does not appear to have made material changes to its loan closing process following the order. OneMain also paid no refunds to consumers who were unlawfully charged for packed-in add-ons.

194. The CFPB consent order mandated that OneMain send an enhanced post-closing disclosure form to consumers regarding add-ons and to make post-closing phone calls. This post-closing disclosure was implemented on March 27, 2024. It is often sent electronically and must be sent within 72 hours of the loan closing.

195. This post-closing disclosure form and the phone call cannot and do not mitigate the harm of the add-on packing and the misleading closing process. The law prohibits unfair, deceptive, or abusive conduct, period. A disclaimer delivered hours or days later cannot cure the misleading statements and omissions.

196. In any event, the phone calls as implemented by OneMain fail to provide utility. OneMain fails to reach many consumers. The script fails to ask the consumer if they intended to purchase the add-ons.

197. As shown below, the post-closing disclosure form is, like most of OneMain's loan documents, in dense fine print. The key information—the cost of the add-ons—is buried in the middle of the page and no more prominent than anything else. To draw the Court's attention to the key information, Plaintiffs have added a red box, which does not appear in the forms that OneMain sends to consumers:

ADDITIONAL OPTIONAL PRODUCTS DISCLOSURES

Account Number:	██████████
Loan Date:	05/06/2024
Amount Financed:	\$9,479.94

This disclosure relates to the optional product(s) you chose to purchase and finance as part of your loan. It is being provided to you in addition to the optional products disclosures you received at the time you obtained your loan. Please review the information below and if you have questions, we'll be happy to answer them.

Cancellation Policy

You may cancel any of your optional product(s) at any time by calling 833-585-1869, emailing InsuranceCancellations@omf.com or writing to P.O. Box 3516, Evansville, IN 47734. Include your name, account number and the name of any product you want to cancel.

- **If you cancel product(s) by 07/05/2024, within 60 days of your loan date:** You'll receive a refund of the Premium or Fee for the unused product(s) that you cancel, and removal of the interest attributable to the Premium or Fee being refunded.
- **If you cancel product(s) more than 60 days after your loan date:** You'll receive a refund of the unearned Premium or Fee for the product(s) you cancel, and we will not charge you the remaining interest attributable to the unearned Premium or Fee being refunded.

The refund will be applied to your account, and we will recalculate your monthly loan payments and provide your loan payoff date. You will receive a written notice with the new information.

Your Optional Product(s)

Product(s) You Chose and Premium or Fee		Anticipated Total Cost (including interest) if paid as agreed over entire loan term
SINGLE CREDIT LIFE	\$336.81	\$591.97
SINGLE CREDIT DISABILITY	\$727.79	\$1,279.14
SINGLE INVOLUNTARY UNEMPLOYMENT	\$670.24	\$1,178.00
HOME & AUTO PLAN	\$599.95	\$1,054.46

Your current monthly payment is \$282.09 and loan payoff date is 05/10/2029 if you pay as agreed. As a comparison, shown below are what your monthly payments would be if you cancel any of your unused optional product(s) within 60 days.

If You Cancel	New Monthly Loan Payment
SINGLE CREDIT LIFE	\$272.23
SINGLE CREDIT DISABILITY	\$260.78
SINGLE INVOLUNTARY UNEMPLOYMENT	\$262.46
HOME & AUTO PLAN	\$264.52

Questions

Thank you for choosing us for your loan and optional product(s). We are here for you whenever you have questions—whether it's about the information you just read or your loan in general.

Please note that if you cancel an optional product, you will no longer receive the benefits of that product as of the date of your cancellation. This includes insurance coverage if the product you cancel is an insurance product. Claims incurred after the date of cancellation will not be honored.

OneMain is regulated by the Consumer Financial Protection Bureau (CFPB). If you'd like to submit a complaint to the CFPB, visit <https://www.consumerfinance.gov/complaint/> or call the consumer complaint hotline number 855-411- 2372; TTY/TDD: 855-729-2372

198. The post-closing disclosure required by the CFPB Order is the *first time* that OneMain tells its customer the total cost of each add-on product, including interest. OneMain’s policy provides that it may be sent up to three days after the loan has already been closed. And even this disclosure buries the cost of the add-ons in fine print and does not tell the customer the total cost of all the add-ons on the loan at closing.

199. OneMain does not disclose this total cost of the add-on products to *any* of the pre-closing or closing documents, scripts, or policies. OneMain intentionally hides this information because the interest attributable has a huge impact on the price. In the example above from a Pennsylvania loan, the true cost of the credit disability insurance is shown to be \$1,279.14. This is nearly double the premium cost—\$727.79—that is disclosed on the loan agreement and other forms. The cost of the four add-ons before interest is \$2,334.79. The total cost of the four add-ons including interest is \$4,103.57. Of course, OneMain never discloses these total amounts—not even on the post-closing disclosure.

200. As demonstrated above, OneMain and its direct predecessors have repeatedly been sued for and paid hundreds of millions of dollars to settle allegations of add-on packing. But OneMain has not reformed its conduct.

III. OneMain’s Compensation System Incentivizes Charging Consumers for Add-On Products Even if Consumers Are Uninterested in Purchasing Them.

201. OneMain’s centralized employee and management compensation system strongly incentivizes charging consumers for add-on products even if the consumer is unaware of, or uninterested in, purchasing them.

202. As noted above, OneMain mandates that its salespeople offer “optional products to all eligible customers” even if a salesperson “think[s] a customer will not want” the “optional product,” and even “[i]f a customer declined optional products on a prior loan.”

203. OneMain also pays 5% or 6% commissions each month to the employees who sell the following non-credit products: 1) Term Life, 2) Auto Plus Plan, 3) Home & Auto Plan, and/or 4) Silver Safeguard Plan. Given the large volume of products that OneMain sells each year, the commission are significant, for both the company and the individual employees.

204. In addition to paying its branch employees commissions to sell add-on products, OneMain provides commission incentives that encourage their Branch and District Managers to push their employees to sell non-credit products. For each sale of a non-credit product that one of their subordinates makes, OneMain pays the Branch Manager a 2% “overwrite commission.” OneMain also pays District Managers overwrite commissions equal to .75% of the net premiums and fees generated by employees selling non-credit products in the branches they supervise.

205. To take just one state as an example: OneMain operates 26 branches in New Jersey in addition to lending online. In that state, OneMain employees and managers earned a combined total of \$2,145,000 in commissions between 2021-2022 on roughly \$27 million in add-on sales.

206. In its 2023 Order, the CFPB concluded that OneMain had based some salespersons’ performance reviews in part on their Coverage Per Loan (CPL) rate and that, according to some of OneMain’s former employees, low CPL rates could lead to adverse employment consequences including termination.

207. OneMain’s policies have stated that “CPL is a Key Performance Indicator.”

208. The company’s policies, moreover, permit supervisors to “review and rank” their “district, branch, and employee[s]” according to the CPL. And the policies authorize Branch and District Managers to include the CPL in District or Regional contests between employees and branches.

209. In addition, OneMain has an “Order of Merit” recognition program to reward employees who charge consumers the most for non-credit add-ons.

210. At the same time, OneMain’s policy incentivizes employees to hide the right to cancel and prevent consumers from cancelling their add-ons. “Commissions or overwrite commissions on policies or plans cancelled during the customer’s policy or contract review period,” OneMain’s policy states, “are not considered earned and result in a negative commission or overwrite commission.”

IV. The Add-On Products Provide Little Value to Consumers.

211. Consumers pay high premiums for add-on products that rarely benefit them. This may occur because the consumer did not realize that OneMain had packed the products into their loan and therefore could not have used the products; or this may occur because of coverage limitations OneMain failed to explain.

212. OneMain’s products are also expensive. For example, the average aggregate cost of add-ons for borrowers who had an add-on product in Pennsylvania was \$911 in 2022. OneMain charged Pennsylvanians \$41.8 million for add-on products that year. Since OneMain finances all the premiums and fees, the total cost was greater than \$60 million, including interest.

213. OneMain markets these expensive products to consumers desperate enough for the funds that they are willing to take out the extremely high interest loans that OneMain offers. The fact that these products provide little or no value to consumers who often cannot afford them is especially harmful to these consumers.

214. Some consumers who might be able to use the insurance do not file a claim because they have no reason to believe they have insurance. For example, the Plaintiffs interviewed a consumer who fell behind on her payments after becoming disabled. She had explicitly declined

the insurance when OneMain “offered” it at loan closing, but (unbeknownst to her) OneMain charged her for it. When she fell behind and told the OneMain branch it was because of her disability, OneMain pressured her into refinancing the loan instead of informing her of the policy. So rather than file a claim, she refinanced. This resulted in her falling deeper in debt to OneMain—and it saved OneMain’s insurance subsidiary from having to pay a claim.

215. Another consumer was laid off from work but had no idea that OneMain had been surreptitiously charging her hundreds of dollars for involuntary unemployment insurance that might have covered her. She told the company that she needed help making her payments because she had lost her job. Rather than tell her that the insurance might cover her loan, the company offered a payment deferral. She ended up refinancing, during which OneMain again packed involuntary unemployment insurance into the bill.

216. Consumers reported that OneMain charged them for add-on products that were duplicative of their preexisting insurance (e.g., life insurance through work) or other memberships (e.g., AAA). Some consumers said that the company billed them for products that had no utility in their lives, such as one consumer whom OneMain charged for involuntary unemployment insurance even though he worked on his own farm.

217. Other consumers lodged complaints that they could not use their add-ons because of hurdles OneMain imposed or because of exclusions OneMain brushed past at loan closing. For example, consumers asserted that OneMain’s employees did not adequately disclose that they would not be able to use the involuntary unemployment insurance unless they were collecting unemployment insurance. Others complained that OneMain employees failed to make them aware that add-on products did not cover certain pre-existing conditions.

218. Other consumers complained that OneMain misled them at loan closings about the utility of their add-ons. One consumer, for instance, informed OneMain that her daughter was predisposed to serious illness, and the company led her to believe that disability insurance would cover her child. So she signed up. But the company rejected her claim when her daughter fell ill.

219. Another consumer worked on short-term contracts and agreed to acquire involuntary unemployment insurance because OneMain told her the insurance would cover her if she were out of work. OneMain did not mention any exceptions. But when she needed the insurance, the insurer declined her request.

Ratios of Claims to Premiums Demonstrate the Lack of Value to Consumers.

220. The add-on products are often of little use to consumers. One way to measure the value of insurance to consumers is the ratio of claims to premiums, or “loss ratio.” For example, if an insurer paid claims of \$90 and charged premiums of \$100, the loss ratio would be 90%.

221. The National Association of Insurance Commissioners (NAIC), which sets best practices for insurance companies and is made up of state insurance regulators, recommends a minimum loss ratio of 60% for the types of credit insurance OneMain sells.⁵

⁵ See NAIC, Consumer Credit Insurance Model Regulation (October 1994), *available at* <https://content.naic.org/sites/default/files/MO370.pdf>. In other types of insurance, loss ratios are much higher. For example, according to NAIC, the aggregated loss ratio was 70.9% for reporting companies in the Property and Casualty Insurance Industry for the first six months of 2025. <https://content.naic.org/sites/default/files/2025-mid-year-property-casualty-and-title-insurance-industries-analysis-report.pdf>. NAIC similarly found that the aggregate loss ratio for the U.S. Health Insurance Industry for the same period was 88.6%. The Affordable Care Act mandates that health insurance companies, as a general matter, maintain a “medical loss ratio” of at least 80% or 85%. 42 U.S.C. 300gg-18(b)(1)(A)(i) & (ii). As further comparison, the loss ratios disclosed by large publicly traded insurance companies are much higher than OneMain’s ratios. The Lincoln National Corporation, for example, disclosed a 2024 life insurance loss ratio of 71.1%, and a 2024 disability insurance loss ratio of 72.1%. <https://www.sec.gov/Archives/edgar/data/59558/000005955825000023/lnc-20241231.htm>. The Allstate Corporation, for example, disclosed in its most recent 10-K filing with the Securities and Exchange Commission a loss ratio for homeowners’ insurance of between 68.1% and 85.4% from 2022 through 2024. For auto insurance for that same period, Allstate’s loss ratios ranged from 72.7% and 87.2%. <https://www.allstateinvestors.com/static-files/aef0fdaf-b8b9-484d-9846-559aa4d0ada2>.

222. OneMain’s loss ratios are a fraction of that. In Pennsylvania, for instance, consumers paid \$16.5 million in 2022 for credit disability premiums. These policies paid out only \$4.8 million in claims, a loss ratio of 29%.

223. Of course, unlike most insurance companies, OneMain charges interest on top of the premiums, so the ratio of claims to pre-interest premiums overstates the value consumers are receiving from the policies.

224. Adding in the \$10 to \$15 million in interest OneMain charges on top of these \$16.5 million in disability premiums, consumers can expect to receive less than \$100 in benefits for every \$500 OneMain charges them—an effective loss ratio of under 20%.

225. Similarly, in 2022, Pennsylvania consumers paid \$8.9 million in credit involuntary unemployment premiums (excluding interest). The policies paid only \$527,000 in claims—a loss ratio of 6%, not counting the interest.

226. To take another example: in Nevada in 2022, OneMain collected more than \$1.2 million in credit life premiums from 4,176 policies written to consumers but paid out only 20 claims for \$151,329, a ratio of approximately 12.5% (excluding interest).

227. OneMain also calculates its own “loss ratios,” which appear to consider OneMain’s expenses beyond the simple ratio of dollar amount of claims paid to premiums charged. Despite the inclusion of the additional costs, OneMain’s “loss ratios” also show that the products provide little value to consumers. For example, OneMain calculated 2023 involuntary employment insurance loss ratios in Nevada at 25%. Of course, this excludes interest.

V. OneMain Disregards Pennsylvania Law That Requires It to Sell Its Membership Clubs and Other Non-Credit Products Separately from the Sale of Its Loans.

228. Under the Pennsylvania Consumer Discount Company Act (CDCA) Regulations, any “sale of accidental death and dismemberment insurance, service club memberships or

association-type membership policies by a licensee shall be completely voluntary on the part of a purchaser.” 10 Pa. Code § 41.3(l). To ensure that such sales are voluntary, the regulation mandates that “[w]hen the purchaser is also a borrower, details of the loan transaction, including the disbursement of the loan proceeds to the borrower, shall be concluded before the licensee may initiate an effort to sell the services to the borrower.”

229. Put otherwise, OneMain cannot sell its loans at the same time as the company sells its Auto Plus, Home and Auto Plus, and Silver Safeguard membership plans. It must first sell its loan, finalize the loan closing and all paperwork, and provide funds (typically a check or ACH) to the borrower. Only *after* that can OneMain “initiate an effort to sell” any of those products.

230. In reality, the company has been selling membership clubs and other non-credit products, heedless of the Pennsylvania regulation, in the same process that it sells its loans.

231. In fact, just as it does with credit insurance products, OneMain *only* sells non-credit products and membership clubs in a package with a loan. In Pennsylvania, as in every other state where it does business, OneMain finances these products into its loans. By definition, those products therefore cannot be sold separately from the loan closing or after it is finished.

232. OneMain has informed the Plaintiff States of as much. The company asserted, for example, that one consumer “closed [their] loan” and “elected to purchase the following optional products,” which included a Home & Auto Plan, “in connection with [their] loan.” It explained that the “Optional Product Purchase Funds Authorization, which references election of optional products, the prices, and agreement that it is financed with the loan” is required “for all of OneMain’s customers who purchase the product.”

233. And the Optional Product Purchase Funds Authorization, which every consumer who acquires a non-credit product or membership plan must sign (albeit often without being given

time or adequate font size to read or understand), also states that the premium for the product “is included in the amount financed” with the rest of the loan.

234. OneMain has also asserted that “every OneMain customer who purchases optional products” must “sign” the “Optional Products Disclosure Summary, which identifie[s] each optional product” every “consumer selected.” And this form regularly includes membership clubs alongside the other add-on products, rather than separate from the sale of them.

235. True to that promise, several consumers’ loan documents clearly indicate that they received membership clubs alongside their loans. The time stamps on electronic signatures across OneMain’s loan files confirm that company sold Silver Safeguard plans at the same time it sold its loans. The same is true for its sales of Home & Auto Plus plans.

236. Indeed, OneMain appears to have no policy specific to Pennsylvania that requires its employees to close its loans before initiating its efforts to sell non-credit products and membership clubs. The company is not even pretending to comply with the CDCA.

VI. OneMain Sells Unlawful GAP Products to Colorado Consumers.

237. OneMain makes consumer loans in Colorado as OneMain Financial Group, LLC. It operates 15 branches throughout the state in addition to lending online.

238. OneMain offers Colorado consumers personal loans, in addition to a bevy of add-on products. As described at length above, OneMain aggressively markets these add-on products to Colorado consumers using misleading and deceptive practices, and it often charges Colorado consumers without their consent.

239. One of the add-on products for which OneMain charges Coloradans is Guaranteed Automobile Protection (GAP)—also known as guaranteed asset protection.

240. GAP protects OneMain from a loss if a consumer's automobile collateral is declared a total loss, in instances when the borrower's own insurance payout for the vehicle is less than the outstanding balance of the OneMain loan.

241. GAP coverage can be provided in one of two ways: GAP waivers or insurance.

242. GAP products sold as waivers or insurance are regulated under Colorado's GAP statute, C.R.S. § 5-9.3-101, *et seq.*

243. A GAP waiver is a contractual agreement typically between the consumer and the auto lender where the auto lender agrees to waive the remaining loan balance in the event of a total loss.

244. GAP waivers are presented as add-ons during the vehicle purchase process and are often financed as part of the auto loan.

245. For years, GAP was governed in Colorado by regulation, 4 CCR 902-1:8 (Rule 8). Among other consumer protections, Rule 8 prevented overcharging. It imposed strict limits on the amount providers could charge for GAP waivers, capping premiums at the greater of 2% of the amount financed or \$300. 4 CCR 902-1:8(k). Rule 8 also required creditors to refund unearned GAP fees automatically and, without awaiting a request from a consumer, to refund unearned GAP premiums to consumers if the loan is prepaid prior to maturity (or if there is a lawful repossession of the vehicle).

246. In response to widespread concerns over abusive practices in the sale and administration of GAP, Colorado has recently taken strong legislative, regulatory, and enforcement action to protect Colorado consumers. In 2023, following years of investigation, the Colorado Attorney General announced that his office had secured settlements with multiple creditors that had failed to refund unearned GAP fees, resulting in over \$23.5 million in consumer

restitution. These actions underscored the state's recognition of systemic issues in the GAP market and showed its commitment to ensuring that consumers receive the protections to which they are entitled under law.

247. In 2024, the Colorado General Assembly enacted legislation that codified additional consumer protections while also increasing the maximum allowable charge for a GAP waiver to the greater of 4% of the amount financed or \$600. (The cap does not apply to GAP insurance.)

248. In addition to GAP waivers, Colorado law allows the sale of GAP insurance, typically through an auto insurer. Several major national auto insurance companies offer GAP insurance as an add-on to auto insurance policies at reasonable rates. Rather than waiving the balance as a GAP waiver policy would, the insurance company pays the creditor a GAP insurance payment to cover the difference between the loan payoff and the auto insurance payout.

249. Prior to 2021, OneMain only offered GAP waivers in Colorado, uniformly priced at \$300 per policy. The waiver policies were administered by OneMain's subsidiary OneMain Alliance, LLC. On October 10, 2021, OneMain unilaterally switched from offering GAP waivers to GAP insurance. The GAP insurance is written by Triton Insurance Company, another OneMain subsidiary.

250. Following this switch, the cost of GAP coverage offered by OneMain skyrocketed. The average GAP premium rose from \$300 to \$1,149.72, with some premiums reaching as high as \$6,326.08.

251. This massive increase in the price of GAP policies resulted in a substantial increase in the loan-to-value (LTV) ratios associated with OneMain loans. Prior to October 10, 2021, the average LTV was approximately 137%. Following that date, the average LTV rose to

approximately 177%. More than half of OneMain's loans had an LTV exceeding 150%, with some loans reaching LTVs as high as 979%.⁶ These elevated ratios are made possible by OneMain's policies, which impose no LTV limits when providing GAP coverage.

252. The GAP statute, effective January 1, 2024, prohibits the sale of GAP agreements where the LTV exceeds 150%. C.R.S. § 5-9.3-108(1)(e).

253. OneMain's GAP products routinely violated this statutory limit. In 2024, approximately 63% of OneMain's loans exceeded the 150% LTV cap.

254. OneMain's conduct resulted in the sale of void GAP agreements and the imposition of grossly excessive premiums on Colorado consumers.

VII. OneMain Misleads Consumers When Inducing them to Refinance by Packing Add-Ons and Obscuring Costs.

255. As a continuation of OneMain's practice of constructing a rushed and deceptive loan origination process, OneMain also misleads consumers who are refinancing their loans, which it also refers to as "renewing" a loan, by failing to make consumers aware of the costs and terms of refinancing and by packing the refinanced loans with more add-ons.

256. OneMain refinances consumers' accounts for the principal payoff balance plus the extension of additional funds and refinancing a loan generally extends the term beyond the remaining term of the prior loan. That means that, assuming the interest rate stays the same, the borrower will pay more interest over the course of the refinanced loan than they would have paid over the remaining term of the existing loan.

257. OneMain's loan contracts frequently maximize the cost to the consumer each time it refinances a loan. When a consumer pays off a loan early, as happens when they refinance their

⁶ This Colorado consumer took out an \$8,774.46 loan with a \$1,128.01 GAP premium. Nine months later, OneMain refinanced the loan, advancing roughly \$15,000 on the same vehicle. The loan balance jumped to \$23,098.08, and the GAP premium ballooned nearly fourfold to \$4,342.46.

prior loan, some of the unearned interest and unearned insurance premiums are refunded. For many consumers, OneMain collects a disproportionate amount of interest and/or premiums in the early part of the loan (before the loan is refinanced), which, in turn, increases the amount of principal left to pay at the time of refinancing, and maximizes the interest OneMain collects.

258. The company also often charges the maximum allowed origination fee or service charge of up to several hundred dollars (and over \$1,000 in some cases) each time a consumer refinances, in states that allow and cap such fees. It may also collect an “Extended First Payment Due Date Charge.”

259. And OneMain frequently refinances consumers’ loans multiple times.

260. By generating higher monthly payments, longer terms, more interest, and additional fees, OneMain’s refinancing conduct extends consumers’ indebtedness and increases the cost of their loan obligations.

261. OneMain’s website lures consumers to take out a loan with the tag line, “Get ahead and stay ahead.” In reality, OneMain’s refinancing practices push consumers further behind with each loan.

Get ahead and stay ahead

Access fresh ways to stretch your budget and make progress one win at a time.

262. One consumer complainant summarized it as follows: “We were deceived into taking more money out in loan. They said the interest would stay the same. It has not. Our amount owed has increased in 5 years despite multiple years of on time payments. Including multiple double payments. One to princip[al] and one to interest. I am drowning in this loan and the company has offered no help.”

OneMain's Advertisements Highlight the Cash and Bury the Costs of Refinancing.

263. OneMain solicits consumers to refinance their loans whether their payments are timely or delinquent, whether they are early in the loan term or their loan is nearing maturity.

264. OneMain urges consumers to refinance their loans via text messages, notifications from its phone applications, or email. Each informs consumers that they are eligible for more money. None discloses the terms and costs of the offer.

265. The company bombards consumers with the promise to “get the extra money you need,” with “No nonsense” and “No surprises.” A renewal, it proclaims, is “just a loan that works for you, on your terms,” so that you can “sleep easy with no surprises.” If you refinance a loan, OneMain maintains, “you’ll continue to pay fixed, predictable payments.” Any fine-print disclaimers OneMain provides about the consequences of refinancing in some of these marketing materials cannot cure these prominent misrepresentations. See below some of the representations OneMain has made in its marketing materials:

No nonsense. No surprises.

You're invited to apply for more money. Renew your loan¹ and get your money as fast as one hour after loan closing.²

Apply at OMF.com/apply or call your branch.



OneMain Financial.

Important details on reverse >>

OneMain Financial.

Sample: renew your loan and get the extra money you need — fast.

Good news! You're prequalified to renew for a loan from **\$3,100** to **\$13,000**.² If approved, use your new loan to pay off your current loan and have **up to \$5,000** cash available³ for the things you need. You can consolidate bills, eliminate high-interest credit card debt,⁴ or use your loan for almost any other purpose.⁵ And, you'll get access to funds as fast as one hour after loan closing.¹

As you know, all OneMain loans also come with a 7-day risk-free guarantee. If you still have the funds, you have a full week to change your mind, with no penalties. See OMF.com/7day for details. As always, your loan will have fixed, predictable monthly payments, with zero surprises.

Utilize the voucher info above to get started. It's easy to renew — our online application takes just minutes to complete. To be eligible for this prequalified offer, you must apply at OMF.com/offer, by phone at **716-656-0081** or **800-431-3816**, or in any local branch.

OneMain Deceives Customers About the True Cost of Refinancing.

266. After OneMain's marketing materials tempt consumers to consider taking out new cash, its loan closers and loan closing process then mislead consumers about the often steep cost of refinancing.

267. OneMain proceeds with closing refinanced loans in the manner it closes new loans: rushing through the process, sometimes controlling the computer screen, while whisking consumers through the loan documents and depriving them of the opportunity to comprehend complex disclosures about the additional costs that come with refinancing.

268. When OneMain refinances a loan, it sometimes fails to make consumers aware that doing so will extend the term of the loan, thereby increasing the amount of interest owed.

269. Other times, OneMain deceives consumers about how refinancing may increase the consumer's monthly payments or the loan's interest rate.

270. Moreover, OneMain often fails to fully inform consumers that it collects various refinance fees.

271. Consumers reported that OneMain glosses over the fine print when processing refinances, leaving them only glimpses of the material terms and conditions. They allege feeling rushed through the documents, discovering new terms and conditions or coming to realize the true cost of their refinance only when they revisit the paperwork on their own later.

272. Numerous consumers stated that their loan closer failed to note that they would pay another service charge to refinance their loan, that refinancing may mean they would pay more interest, that they would pay a higher interest rate on the refinanced loan, that they would pay more per month for the refinanced loan, or that they would pay for more months over the life of refinanced loan.

273. Other consumers alleged that OneMain's employees falsely represented the costs of refinancings. These consumers assert that OneMain promised that the interest rate of a refinanced loan would remain the same, that the monthly payment would not budge, or that the loan's term would not change. All of that, their loan documents later revealed, turned out to be false.

274. Sometimes, OneMain charges consumers fees for services they do not request and of which they are not aware. For example, OneMain's fine print promises that the company will only bill consumers for an "Extended First Payment Due Date Charge" if the consumer "requested an extended first payment due date and agree[d] to pay the disclosed charge." Yet consumers state that OneMain billed them despite not requesting a due date change. Consumers reported in interviews that they were unaware of what that charge was for.

275. OneMain's course of conduct leaves consumers in the dark regarding the true costs of refinancing. Numerous consumers stated that they would not have refinanced their loans had the company disclosed the true cost of doing so.

OneMain Packs Additional Add-ons into Loans During Refinancing.

276. When it refinances loans, OneMain creates another opportunity to misleadingly charge consumers for add-ons via the myriad means outlined above. And the harm from doing so is often greater in a refinanced loan because the cost of the add-ons typically increases with the increased loan balance.

277. Like consumers who took out new loans, some refinancing consumers reported that OneMain failed to make them aware of the add-ons. Many others said the company maintained that the add-ons were required, included, and/or free. Other consumers said the company packed add-ons they had declined. Most said OneMain misrepresented the cost of the add-ons. And as outlined for existing loans, OneMain also misleads consumers who *do* notice the inclusion of add-ons about each product's cost.

278. These many forms of deception can harm consumers even more when they refinance their loans because the price of the add-ons often increases on the refinance loan. The price of credit insurance is set as a percentage of the loan balance. When OneMain refinances a loan, the company generally increases the amount financed. This results in the cost of the add-ons generally increasing with each refinancing. When it does, the cost can increase multiple times over.

279. Indeed, the cost of add-ons OneMain packs into each refinanced loan often increases exponentially. This can be due to the dynamic described above, and the cost can also increase because OneMain attempts to pack additional add-ons at each refinancing. For example, OneMain refinanced the below loan five times over 18 months—and increased the cost of the package of add-ons each time. The first three loans had the exact same add-ons. The last three loans had different add-ons, but the increases in cost continued.

Date of Loan	Type of Loan	Add-On Premiums / Fees
12/13/2022	New Loan	\$234
01/25/2023	Refinance	\$488
04/11/2023	Refinance	\$1,149
12/08/2023	Refinance	\$1,353
04/09/2024	Refinance	\$1,784
06/10/2024	Refinance	\$2,541

(The figures above do not include the interest attributable to the add-ons.)

280. Even if OneMain made a consumer aware of the cost of the add-on premiums on the first loan, it fails to explain the dynamic illustrated above when soliciting refinances: that the add-on costs generally increase in a refinanced loan.

281. And as discussed above, most consumers Plaintiffs interviewed were unaware that add-ons are subject to interest. Many report, moreover, that they would not have agreed to the add-ons if they had known how much refinancing would increase the price of each add-on.

CLAIMS FOR RELIEF

FIRST CAUSE OF ACTION – CFPA Deception

OneMain Engages in Deceptive Acts and Practices by Charging Consumers for Add-On Products Without Their Consent and by Misleading Consumers Who Refinance⁷

282. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

283. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B). An act or practice is deceptive if it involves a material misrepresentation or omission that is likely to mislead

⁷ All Plaintiffs assert the CFPA claims (Counts One through Six).

consumers acting reasonably under the circumstances. Information is material to consumers if it is likely to affect a consumer's conduct regarding the product or service in question.

284. OneMain misleads consumers when it packs add-on products into loans: without the consumers' knowledge, despite the consumers rejecting them, by causing consumers to believe that the add-on products are mandatory, and/or by misleading consumers as to the costs, terms, and conditions of the products.

285. OneMain also misleads consumers when it omits material loan and add-on terms and conditions in the loan closing process. OneMain fails to disclose the true cost of products, including interest, during loan closing. The interest substantially increases the cost. OneMain has constructed a loan origination process that deprives consumers of the opportunity to read and understand the voluminous paperwork in which OneMain hides the add-on products and their terms and conditions.

286. It is reasonable for consumers who sign OneMain's loan documents to expect only that they are taking out a loan. Nothing on OneMain's website or other marketing gives consumers a reason to suspect that OneMain engages in a bait and switch of packing add-ons. Nor does OneMain otherwise warn consumers; in fact, its process hides the add-ons.

287. OneMain's misleading conduct is material. It is likely to affect a consumer's choice whether to borrow from OneMain and/or to buy an add-on product. Indeed, OneMain entirely deprives consumers of the opportunity to make an informed choice during the loan origination. OneMain's conduct also drastically increases consumers' costs.

288. OneMain also misleads consumers who refinance. OneMain misrepresents the terms of the refinances, makes material omissions as to the terms and consequences of the refinances, and constructs a marketing and closing process that misleads consumers as to the terms

and conditions of the refinances. And when OneMain refinances a loan, it often repeats the add-on packing conduct described above and thereby further misleads consumers.

289. This refinancing deceptive misconduct is material to consumers because it results in a higher cost than consumers expect. Reasonable consumers are misled because they have no reason to believe that OneMain will mislead them about the refinancing costs and other terms.

290. OneMain's conduct is therefore deceptive in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536(a)(1)(B).

291. The CFPA empowers this Court to grant any appropriate legal or equitable relief with respect to violations of federal consumer financial law, including, without limitation, a permanent or temporary injunction, rescission or reformation of contracts, the refund of moneys paid, restitution, disgorgement or compensation for unjust enrichment, and civil money penalties. 12 U.S.C. § 5565.

SECOND CAUSE OF ACTION – CFPA Unfairness
OneMain Engages in Unfair Acts and Practices by Charging Consumers for Add-On Products Without their Consent and by Misleading Consumers Who Refinance

292. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

293. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B). An act or practice is unfair when it causes or is likely to cause substantial injury to consumers, the injury is not reasonably avoidable by consumers, and the injury is not outweighed by countervailing benefits to consumers or to competition.

294. OneMain's add-on packing causes substantial injury to consumers by inflating their debt by up to hundreds or thousands of dollars. OneMain injures consumers when it packs add-on

products into loans without the consumers' knowledge, despite the consumers rejecting them, by causing consumers to believe that the add-on products are mandatory, and/or by misleading consumers as to the costs, terms, and conditions of the products.

295. Consumers cannot reasonably avoid the injury because OneMain's practices hide the add-ons, the interest, and other terms and conditions. Therefore, the consumer cannot take action to avoid the injury. OneMain packs the add-on products through a process that cloaks the charges in a quick closing. Even when consumers notice the add-ons, they cannot avoid the harm because the company misleads them into thinking the add-ons are mandatory, free, or cheaper than they really are.

296. OneMain's refinancing practices likewise substantially injure consumers by causing them to accrue unwanted and unexplained debt, including hundreds or thousands of dollars in additional fees and add-on product costs. That conduct is particularly harmful because it increases the amount financed, and thereby increases the premiums for credit products alongside the amount financed.

297. Consumers cannot avoid the refinancing harm. They have no reason to believe that OneMain will mislead them about the refinancing costs and other terms. OneMain, moreover, does not adequately disclose the harms associated with refinancing.

298. Countervailing benefits to consumers or to competition do not outweigh the harms consumers suffer. There are no countervailing benefits to consumers or to competition from OneMain's unlawful add-on packing and refinancing conduct described here.

299. Therefore, OneMain's acts and practices as set forth herein constitute unfair acts or practices in violation of Sections 1031 and 1036 of the CFPA. 12 U.S.C. §§ 5531, 5536(a)(1)(B).

THIRD CAUSE OF ACTION – CFPA Abusiveness
OneMain Engages in Abusive Acts and Practices by Materially Interfering with
Consumers’ Ability to Understand the Terms and Conditions of Consumer Financial
Products or Services: Add-On Products and Refinancing

300. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

301. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B).

302. The CFPA defines an “abusive” act or practice as, *inter alia*, one that “materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service.” 12 U.S.C. § 5531(d)(1).

303. OneMain has constructed a loan marketing and closing process that materially interferes with the ability of consumers to understand the terms and conditions of its loans and add-on products. As alleged above, OneMain effectively walls consumers off from information about add-ons until closing. It then hides the terms and conditions of the add-ons within dozens of pages of fine print. OneMain, moreover, rushes consumers through the loan closing process. OneMain requires any consumers who do notice that they are being offered add-ons to make their selections based on limited information that excludes material terms and conditions, including the price with interest. OneMain withholds the terms and condition until the very end of the closing process, when it shows them in fine print.

304. OneMain also materially interferes with consumers’ ability to understand the terms and conditions of refinancing. OneMain repeats the above-described practices with each refinancing. It constructs a loan marketing and closing process that does not permit consumers to understand the consequences of refinancing.

305. Therefore, OneMain’s acts and practices as set forth herein constitute abusive acts or practices in violation of Sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536(a)(1)(B).

FOURTH CAUSE OF ACTION – CFPA Abusiveness
OneMain Engages in Abusive Acts and Practices by Taking Unreasonable Advantage of Consumers’ Lack of Understanding of the Material Risks, Costs, or Conditions of Consumer Financial Products or Services: Add-On Products and Refinancing

306. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

307. Section 1036(a)(1)(B) of the CFPA prohibits covered persons from engaging in “any unfair, deceptive, or abusive act or practice.” 12 U.S.C. § 5536(a)(1)(B).

308. The CFPA defines an “abusive” act or practice as, *inter alia*, one that “takes unreasonable advantage of a lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service.” 12 U.S.C. § 5531(d)(2)(A).

309. OneMain has constructed a loan marketing and closing process that takes unreasonable advantage of consumers’ lack of understanding of the material risks, costs, or conditions of its loans and add-on products. OneMain does not market its add-ons, so consumers have no idea to be on the lookout for them in their loan closing materials.

310. OneMain ensures that consumers have a lack of understanding of the terms and conditions of its loans and add-on products by concealing the existence of add-on products until closing. OneMain compounds this lack of understanding by withholding the terms and conditions of the add-ons until closing is nearly completed. Moreover, it never tells consumers the true price with interest at closing. Consumers therefore agree to take out loans from OneMain without understanding the existence and/or terms and conditions of the loans.

311. OneMain takes unreasonable advantage of consumers’ lack of understanding by profiting enormously from its misconduct at the expense of its borrowers.

312. OneMain likewise takes unreasonable advantage of consumers' lack of understanding of the terms and conditions of refinancing. It solicits consumers to refinance through email and text, whether delinquent or current, whether doing so is in consumers' best interests or not. It then conducts each refinancing through the same rushed closing process it deploys with new customers. For each refinancing, it often packs in more—and often more-costly—add-ons.

313. OneMain's acts and practices take unreasonable advantage of consumer's lack of understanding of the material risks, costs, and conditions of the consumer financial product and services at issue. 12 U.S.C. § 5531(d)(2)(A).

314. Therefore, OneMain's acts and practices as set forth herein constitute abusive acts or practices in violation of sections 1031 and 1036 of the CFPA, 12 U.S.C. §§ 5531, 5536(a)(1)(B).

FIFTH CAUSE OF ACTION – CFPA Violation of TILA
OneMain Requires Consumers to Pay for Add-On Products Incident to the Extension of Credit and Fails to Accurately Disclose the Finance Charge and APR

315. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

316. Section 1036(a)(1)(A) of the CFPA prohibits covered persons from offering or providing consumer-financial products or services not in conformity with “Federal consumer financial law” or otherwise committing any act or omission in violation of a “Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).

317. TILA and Regulation Z are each a “Federal consumer financial law.” 12 U.S.C. § 5481(14) (defining “Federal consumer financial law” to include “enumerated consumer laws” and “any rule or order prescribed by the Bureau under this title”); 12 U.S.C. § 5481(12)(O) (defining “enumerated consumer law” to include TILA).

318. At all times relevant, OneMain has regularly extended or offered consumer credit for which a finance charge is or may be imposed or which, by written agreement, is payable in more than four installments, making OneMain a creditor within the meaning of TILA, 15 U.S.C. § 1602(g), and Regulation Z, 12 C.F.R. § 1026.2(a)(17).

319. As described above, under TILA and Regulation Z, in many cases add-on products constitute a “finance charge” because OneMain requires the consumer to pay for them “as a condition of or an incident to the extension of credit.” 12 C.F.R. § 1026.4(a)(1)(i).

320. But OneMain does not include the cost of the add-ons when it calculates the finance charge for the TILA disclosures. Instead, even in the many cases where OneMain requires consumers to pay for the add-ons, it improperly includes the add-ons in the amount financed.

321. As a result of failing to include the add-ons in the finance charge, OneMain is disclosing inaccurate APRs, in violation of TILA and Regulation Z. If OneMain properly disclosed the cost of the add-ons as part of the finance charge, the disclosed APR would be far higher.

322. The disclosures OneMain provides to its customers fail to disclose the finance charge and APR, and therefore they do not comply with the requirements of Regulation Z. 12 C.F.R. § 1026.18(d), (e).

323. OneMain’s violations of TILA and Regulation Z constitute violations of the CFPA. 12 U.S.C. § 5536(a)(1)(A).

**SIXTH CAUSE OF ACTION – CFPA Violation of TILA
OneMain Fails to Accurately Disclose Amounts Paid to Third Parties**

324. Plaintiffs re-allege and incorporate by reference the allegations contained in the preceding paragraphs of this Complaint.

325. OneMain has regularly extended or offered consumer credit at all times relevant, for which it imposes a finance charge, or which is payable by written agreement in more than four

installments. That makes OneMain a creditor under TILA, 15 U.S.C. § 1602(g) and Regulation Z, 12 C.F.R. § 1026.2(a)(17).

326. TILA mandates that lenders provide a meaningful disclosure of credit terms that will enable consumers to compare more readily the various credit terms available, to avoid the uninformed use of credit, and to protect consumers against inaccurate and unfair lending practices. 15 U.S.C. § 1601(a).

327. The law also mandates that any lender providing consumers with written disclosures and itemizations of the amount financed must accurately disclose “each amount that is or will be paid to third persons by the creditor on the consumer’s behalf.” 15 U.S.C. § 1638(a)(2)(B)(iii).

328. But OneMain does not disclose the substantial commissions it retains and deducts from each insurance premium. Instead, it misleads consumers by labeling that premium as only “Paid to” the third-party insurers.

329. OneMain’s disclosures are especially inaccurate because OneMain in fact often owns the credit insurance provider to which the premium is purportedly paid.

330. As a result, OneMain’s disclosure of the amount paid to a third person on the customer’s behalf is inaccurate because OneMain always retains a portion as a commission, and it often retains the rest through ownership of the insurance companies.

331. OneMain therefore violates the requirements of TILA by systematically failing to disclose accurately the amounts it paid to third-party insurers on consumers’ behalf. 15 U.S.C. § 1638(a)(2)(B)(iii).

332. OneMain’s violations of TILA and Regulation Z constitute violations of the CFPA, 12 U.S.C. § 5536(a)(1)(A).

SEVENTH CAUSE OF ACTION – New York Executive Law § 63(12)
One Main Engages in Fraud
(Asserted by the State of New York)

333. Plaintiff the State of New York re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

334. New York’s Executive Law § 63(12) authorizes Plaintiff the Attorney General of the State of New York to seek injunctive and other equitable relief when any individual or entity engages in repeated and persistent fraud in the carrying on, conducting, or transacting of business.

335. Fraud under Executive Law § 63(12) is broadly defined to include “any device, scheme or artifice to defraud and any deception, misrepresentation, concealment, suppression, false pretense, false promise or unconscionable contractual provisions.”

336. As set forth in the preceding paragraphs, OneMain has engaged in repeated and persistent fraud, deception, misrepresentation, and concealment in connection with its conduct in selling add-on products and refinancing loans, which have the capacity or tendency to deceive and create an atmosphere conducive to fraud.

337. Consequently, OneMain has engaged in repeated and persistent fraud in violation of N.Y. Executive Law § 63(12).

EIGHTH CAUSE OF ACTION – New York General Business Law §§ 349 and 350
OneMain Engages in Deception, Unfairness, Abusiveness, and False Advertising
(Asserted by the State of New York)

338. Plaintiff the State of New York re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

339. New York’s General Business Law §§ 349 and 350 authorize Plaintiff the Attorney General of the State of New York to seek injunctive and other relief when any person or entity engages in acts or practices that violate those sections.

340. New York General Business Law § 349 prohibits deceptive, unfair, and abusive acts or practices in the conduct of any business, trade, or commerce or in the furnishing of any service in the State of New York.

341. New York General Business Law § 350 prohibits false advertising in the conduct of any business, trade, or commerce or in the furnishing of any service in the State of New York.

342. As set forth in the preceding paragraphs, OneMain has engaged in deceptive acts and practices in connection with its conduct in packing add-on products and refinancing loans, which are likely to mislead a reasonable consumer, in violation of New York General Business Law § 349.

343. As set forth in the preceding paragraphs, OneMain has engaged in unfair acts and practices in connection with its conduct in selling add-on products and refinancing loans, which cause or are likely to cause substantial harm to consumers, which is not reasonably avoidable, and is not outweighed by countervailing benefits to consumers or to competition, in violation of New York General Business Law § 349.

344. As set forth in the preceding paragraphs, OneMain has engaged in abusive acts and practices in connection with its conduct in selling add-on products and refinancing loans, by materially interfering with consumers' capacity to understand the terms and conditions of add-on products and refinanced loans, and by taking unreasonable advantage of consumers' lack of understanding of the material risks, costs, and conditions of add-on products and refinanced loans, in violation of New York General Business Law § 349.

345. As set forth in the preceding paragraphs, OneMain has engaged in false advertising in connection with its conduct in selling add-on products and refinancing loans, in violation of New York General Business Law § 350.

**NINTH CAUSE OF ACTION – New York Executive Law § 63(12)
OneMain Engages in Illegality by Violating the CFPA, TILA, Regulation Z, and New
York General Business Law §§ 349 and 350
(Asserted by the State of New York)**

346. Plaintiff the State of New York re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

347. New York's Executive Law § 63(12) authorizes Plaintiff the Attorney General of the State of New York to seek injunctive and other equitable relief when any individual or entity engages in repeated and persistent illegal conduct in the carrying on, conducting, or transacting of business.

348. As set forth in the preceding paragraphs, OneMain has violated the CFPA's prohibition of unfair, deceptive, or abusive acts or practices in connection with its conduct in selling add-on products and refinancing loans.

349. As set forth in the preceding paragraphs, OneMain has violated TILA and Regulation Z in connection with its failure to properly disclose (1) finance charges and APRs, and (2) the amounts paid to third persons given the commissions it receives from, and its ownership of, third-party insurance providers. As set forth in the preceding paragraphs, OneMain has violated New York General Business Law § 349 by engaging in deceptive, unfair, and abusive acts and practices in connection with its conduct in selling add-on products and refinancing loans.

350. As set forth in the preceding paragraphs, OneMain has violated New York General Business Law § 350 by engaging in false advertising.

351. Consequently, OneMain has engaged in repeated and persistent illegality in violation of N.Y. Executive Law § 63(12).

**TENTH CAUSE OF ACTION – Pennsylvania CPL
OneMain Charges Consumers for Add-On Products Without Obtaining their Consent
and Misleads Consumers Who Refinance
(Asserted by Commonwealth of Pennsylvania)**

352. Plaintiff Commonwealth of Pennsylvania re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

353. As described above, OneMain misleads consumers, either expressly or by implication, through packing add-on products into their loans. Many consumers leave loan closings unaware that the company charged them for add-ons. Others think they are free. Some think they are required. Most have no idea how much they actually cost.

354. The company advertises only that it sells loans, promising a “Clear and easy” closing process “from start to finish,” offering “Fixed payments and clear, upfront terms.” But it then slips add-ons into the loan packages of unsuspecting consumers during loan closings, before obscuring the add-on disclosures in a flurry of fine print that loan closers breeze past or gloss over.

355. OneMain confuses those consumers who notice the inclusion of add-ons by withholding critical information about the products: that, among other things, they come with interest, include significant exceptions, benefit the company itself, or can be cancelled.

356. OneMain charges many consumers for hundreds or even thousands of dollars in premiums or fees and interest for each add-on product without disclosing it. It finances each product as a single premium, obscuring the cost of the products while inflating the loan principal.

357. If OneMain discloses the products at all, it confuses consumers about their utility by asking consumers to choose products before it discloses each one’s terms, including significant exclusions. The company may then compound that deception by orally misleading consumers about the terms and conditions.

358. OneMain, moreover, misrepresents who provides the insurance for these add-ons by failing to disclose that its own subsidiaries often provide the coverage; and it misrepresents who profits from the insurance by that claiming that it “may” keep a cut when it always does.

359. It also confuses consumers by itemizing in the Truth in Lending Disclosure the premiums for its non-credit insurance products as “Amounts Paid to me” and by listing “ME” (i.e., the consumer) as the recipient of the premium. In reality, the consumer *pays* that premium to OneMain and its vendor, not the other way around. Nor does the company explain that it retains a portion of the premium paid to the add-on provider.

360. Even if OneMain informs consumers about the presence of the add-ons, the company often fails to mention during loan closings the consumer’s right to cancel them. And the company has sometimes erected artificial barriers against cancelation for consumers who attempted after closing to remove the packed-in products.

361. OneMain also deceives some consumers by failing to include the cost of the add-ons in the finance charge and APR while simultaneously confusing consumers into believing that the add-ons are a required condition of, or included incident to, getting a loan.

362. OneMain, moreover, constantly solicits consumers to refinance their loans—but it rarely if ever clarifies for consumers how refinancing will increase their debt load. It regularly fails to explain to consumers that refinancing will extend their loan term, increase their monthly payments, reset their amortization schedule, or incur additional services charges and other fees.

363. And each refinancing further empowers OneMain to pack in more add-ons, which, if the amount financed increases, causes the insurance premiums and interest to likewise increase.

364. These methods, acts and practices constitute unfair methods of competition and unfair acts or practices in the conduct of trade or commerce, in violation of Section 201-3 of the

PA CPL, as defined by Section 201-2 of said Law, including, but not limited to, the following:

- a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;
- b. Section 201-2(4)(iii), by causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another;
- c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and,
- d. Section 201-2(4)(xxi), engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, 201-2(4)(ii), (iii), (v), (xxi).

365. The Commonwealth alleges that all of the practices described herein are performed willfully. Accordingly, and pursuant to Section 201-8 of the PA CPL, 73 P.S. § 201-8, the Commonwealth seeks the imposition of civil penalties of One Thousand Dollars (\$1,000) for each violation of the PA CPL, including enhanced civil penalties of Three Thousand Dollars (\$3,000) for each violation involving victims age sixty (60) or older, in addition to other relief sought, as appropriate.

**ELEVENTH CAUSE OF ACTION – Pennsylvania CPL
OneMain Charges Interest in Excess of the CDCA Usury Limit
(Asserted by Commonwealth of Pennsylvania)**

366. Plaintiff Commonwealth of Pennsylvania re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

367. Pennsylvania’s Consumer Discount Company Act (CDCA), 7 P.S. §§ 6201-6219, forbids lenders from charging an annual interest rate above approximately 24-27%. *See Pa. Dept. of Banking v. NCAS of Delaware, LLC*, 948 A.2d 752 (Pa. 2008) (holding that the CDCA provides a discount rate and service charge limit, which explains why the maximum permissible rate fluctuates depending on the loan term and size). The CDCA’s usury limit applies to all credit-related charges on all credit lines or fixed-amount loans. *Id.*

368. OneMain regularly charges consumers interest rates hovering at the maximum allowed under state law.

369. As described in Count Five above, OneMain fails to disclose accurate finance charges and APRs in the instances when its employees mislead consumers into believing that purchasing the products is “a condition of or an incident to the extension of credit,” 12 C.F.R. § 1026.4(a)(1)(i). Any fee that is such a “a condition of” acquiring the loan is a finance charge that must factor into the APR.

370. But even when OneMain claims that acquiring add-ons are a condition of acquiring a loan, it does not factor the cost of the add-on products into the finance charge and APR on the loan.

371. In such cases, factoring in the costs of the add-ons, which often total hundreds or thousands of dollars, would typically increase the APR well above the usury limit. OneMain thus regularly extends loans to consumers in violation of Pennsylvania’s usury limit.

372. These practices constitute unfair methods of competition and unfair acts or practices in the conduct of trade or commerce, in violation of Section 201-3 of the PA CPL, as defined by Section 201-2, including, but not limited to, the following:

a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;

b. Section 201-2(4)(iii), by causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another;

c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and,

d. Section 201-2(4)(xxi), engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(ii), (iii), (v), (xxi).

373. The Commonwealth alleges that OneMain engages willfully in all of the practices described herein. Accordingly, and pursuant to Section 201-8 of the PA CPL, 73 P.S. § 201-8, the Commonwealth seeks the imposition of civil penalties of One Thousand Dollars (\$1,000) for each violation of the PA CPL, including enhanced civil penalties of Three Thousand Dollars (\$3,000).

**TWELFTH CAUSE OF ACTION – Pennsylvania CPL
OneMain Violates the CDCA Regulation by Selling Membership Clubs and Other Non-Credit Products Before It Has Closed the Loan and Disbursed the Funds
(Asserted by Commonwealth of Pennsylvania)**

374. Under the CDCA, OneMain cannot “initiate an effort to sell” its non-credit products and membership clubs until after it has closed the sale of a loan and disbursed the cash to the borrower. 10 Pa. Code § 41.3(l).

375. Rather than wait until it has closed its loans, OneMain routinely violates this law by packing its non-credit products and membership clubs into loans before closing the deal and disbursing the cash to borrowers. Indeed, it does so as a practice.

376. The purpose of 10 Pa. Code § 41.3(l) is to ensure that the purchase of non-credit products and membership clubs “shall be completely voluntary on the part of a purchaser.”

377. By regularly packing these products alongside its credit products, OneMain ensures that consumers’ purchase of non-credit product fails not only to be “completely voluntary,” but also that they will be confused about how much it costs to acquire the non-credit products—or even whether they have acquired them at all.

378. This undermines a law designed to create clarity, thereby causing confusion and misunderstanding amongst the many consumers OneMain misleads into acquiring its non-credit products and membership clubs.

379. Doing so thus constitutes an unfair method of competition and/or unfair or deceptive act or practice, as prohibited by Section 201-3 of the PA CPL, under the definitions in Section 201-2(4) of said Law, including without limitation:

a. Section 201-2(4)(ii), by causing likelihood of confusion or of misunderstanding as to the source, sponsorship, approval or certification of goods or services;

b. Section 201-2(4)(iii), by causing likelihood of confusion or of misunderstanding as to affiliation, connection or association with, or certification by, another;

c. Section 201-2(4)(v), by representing that goods or services have sponsorship, approval, characteristics, ingredients, uses, benefits or quantities that they do not have; and

d. Section 201-2(4)(xxi), by engaging in any other fraudulent or deceptive conduct which creates a likelihood of confusion or of misunderstanding.

73 P.S. §§ 201-3, and 201-2(4)(ii), (iii), (v), (xxi).

380. The Commonwealth alleges that OneMain performs the practices described herein willfully. Accordingly, and pursuant to Section 201-8 of the PA CPL, 73 P.S. § 201-8, the Commonwealth seeks the imposition of civil penalties of One Thousand Dollars (\$1,000) for each violation of the PA CPL, including enhanced civil penalties of Three Thousand Dollars (\$3,000) for each violation involving victims age sixty (60) or older, in addition to other relief sought, as appropriate.

**THIRTEENTH CAUSE OF ACTION – Colorado C.R.S. § 5-9.3-108
Unlawful GAP Agreements
(Asserted by State of Colorado)**

381. Plaintiff the State of Colorado re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

382. C.R.S. § 5-9.3-108(1)(e) prohibits the sale of GAP agreements where the maximum loan-to-value ratio exceeds 150%.

383. OneMain sold GAP agreements to Colorado consumers where the LTV exceeded 150%, in direct violation of this statutory prohibition.

384. OneMain's GAP agreements, which lacked any LTV cap and had LTVs far exceeding 150%, are precisely the type of agreements the statute was designed to prohibit.

385. As a result of these violations, OneMain has unlawfully collected excessive GAP premiums from Colorado consumers.

386. Pursuant to C.R.S. § 5-6-114(1)(a), these premiums constitute excess charges and must be refunded.

387. The Administrator has demanded refunds and OneMain refused. This subjects OneMain to penalties of up to ten times the amount of the excess charge under C.R.S. § 5-6-114(2).

388. Plaintiff seeks restitution, statutory penalties, injunctive relief, and any other relief deemed just and proper.

**FOURTEENTH CAUSE OF ACTION – CFPA Unfairness
Unlawful GAP Agreements
(Asserted by State of Colorado)**

389. Plaintiff the State of Colorado re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

390. The CFPA prohibits covered persons from engaging in any unfair, deceptive, or abusive act or practice in connection with the offering or provision of a consumer financial product or service. 12 U.S.C. § 5536(a)(1)(B),

391. OneMain is a “covered person” under the CFPA because it offers and provides consumer financial products and services, including consumer loans and related GAP products. 12 U.S.C. § 5481(6), (15).

392. OneMain engaged in unfair acts and practices in violation of the CFPA by charging Colorado consumers grossly excessive premiums for GAP insurance. OneMain sold GAP insurance in connection with consumer loans that exceeded the statutory maximum of 150%, in violation of C.R.S. § 5-9.3-108(1)(e).

393. These acts and practices caused substantial injury to consumers, including the imposition of unlawful and excessive charges for GAP coverage that was void under Colorado law.

394. The injury was not reasonably avoidable by consumers, who were not informed that the GAP products were unlawful or that the premiums were excessive and unrelated to the value of the coverage provided.

395. The injury was not outweighed by countervailing benefits to consumers or competition. OneMain's conduct served only to increase its own revenue at the expense of consumers.

396. Pursuant to 12 U.S.C. § 5565, Plaintiff seeks all appropriate legal and equitable relief, including but not limited to restitution, disgorgement, civil penalties, and injunctive relief.

**FIFTEENTH CAUSE OF ACTION – CFPA Abusiveness
Unlawful GAP Agreements
(Asserted by State of Colorado)**

397. Plaintiff the State of Colorado re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

398. The Consumer Financial Protection Act (CFPA), 12 U.S.C. § 5536(a)(1)(B), prohibits covered persons from engaging in any unfair, deceptive, or abusive act or practice in connection with the offering or provision of a consumer financial product or service.

399. OneMain is a “covered person” under the CFPA because it offers and provides consumer financial products and services, including consumer loans and related GAP products. 12 U.S.C. § 5481(6), (15).

400. OneMain engaged in abusive acts and practices in violation of the CFPA by charging Colorado consumers grossly excessive premiums for GAP insurance. OneMain sold GAP

insurance in connection with consumer loans that exceeded the statutory maximum of 150%, in violation of C.R.S. § 5-9.3-108(1)(e).

401. OneMain's conduct also took unreasonable advantage of consumers' lack of understanding of the material risks, costs, and conditions of the GAP products, including the legal limitations on LTV ratios and the distinction between GAP waivers and GAP insurance.

402. Pursuant to 12 U.S.C. § 5565, Plaintiff seeks all appropriate legal and equitable relief, including but not limited to restitution, disgorgement, civil penalties, and injunctive relief.

**SIXTEENTH CAUSE OF ACTION – Maryland CPA
Violations of the Maryland Consumer Protection Act
(Asserted by the Maryland Consumer Protection Division)**

403. Plaintiff, the Maryland Consumer Protection Division, re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

404. The Maryland Consumer Protection Act prohibits deceptive, unfair, and abusive trade practices in the sale, or offer for sale, of consumer goods, services, and credit. *See* MDCPA § 13-303.

405. A deceptive, unfair, or abusive trade practice violates the MDCPA regardless of whether any consumer has been misled, deceived, or damaged because of the practice. *See* MDCPA § 13-302.

406. The goods, services, and credit OneMain offers and sells to consumers are consumer goods, services, and credit pursuant to Section 13-101(d)(1) of the MDCPA because they are primarily for personal, family, or household purposes.

407. OneMain is a merchant, as defined by Section 13-101(g)(1) of the MDCPA.

408. A trade practice is deceptive under the MDCPA if it involves statements that have the capacity, tendency, or effect of deceiving or misleading consumers, or if the trade practice

involves the failure to state a material fact, the omission of which would tend to deceive a consumer. *See* MDCPA §§ 13-301(1) and (3).

409. A trade practice is unfair and violates the MDCPA if it causes substantial injury to consumers, cannot be reasonably avoided, and does not benefit competition or the marketplace.

410. A trade practice is abusive under the MDCPA if it: (i) materially interferes with the ability of a consumer to understand a term or condition of a consumer financial product or service; or (ii) takes unreasonable advantage of a lack of understanding on the part of the consumer of the material risks, costs, or conditions of the product or service, or the inability of the consumer to protect the interests of the consumer in selecting or using a consumer financial product or service.

411. OneMain's conduct in selling add-on products without consumers' knowledge or consent, failing to disclose the interest amounts it charges consumers, selling add-on products with little or no value to consumers, failing to disclose that it retains some or all of the premiums for the add-on products, materially interfering with consumers' capacity to understand the terms and conditions of add-on products, and taking unreasonable advantage of consumers' lack of understanding of the material risks, costs, and conditions of add-on products and refinanced loans, as alleged above, constitute deceptive, unfair, and abusive trade practices in violation of the MDCPA.

412. Section 13-406 of the MDCPA authorizes the Attorney General to maintain a civil action seeking an order enjoining an unfair, deceptive, or abusive trade practice and restoring any money acquired from a consumer through means of an unfair, deceptive, or abusive trade practice.

413. Section 13-410 of the MDCPA authorizes the Attorney General to maintain a civil action seeking the imposition of a civil penalty of \$10,000 for each violation of the MDCPA.

414. Section 13-409 of the MDCPA provides that the Maryland Attorney General is entitled to recover for the State the costs of an action brought under the MDCPA.

415. Plaintiff the Maryland Consumer Protection Division seeks all appropriate legal and equitable relief for OneMain's violation of the MDCPA, including but not limited to restitution, civil penalties, costs, and injunctive relief.

**SEVENTEENTH CAUSE OF ACTION – NEVADA DTPA
OneMain Engages in Knowing Misrepresentations and Violations of Federal Law
(Asserted by State of Nevada)**

416. Plaintiff State of Nevada re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of the Complaint.

417. For the reasons set forth in the preceding paragraphs, OneMain violated Nevada Revised Statutes Chapter 598, Deceptive Trade Practices Act, through conduct including, but not limited to, knowing misrepresentations in transactions and violations of federal law.

**EIGHTEENTH CAUSE OF ACTION – New Jersey CFA
Unconscionable Commercial Practices and Acts of Deception
(Asserted by State of New Jersey)**

418. Plaintiff State of New Jersey re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of the Complaint.

419. The NJCFA prohibits any commercial practice that is “unconscionable or abusive, deception, fraud, false pretense, false promise, misrepresentation, or the knowing, concealment, suppression, or omission of any material fact with intent that others rely upon such concealment, suppression or omission, in connection with the sale or advertisement of any merchandise or real estate, or with the subsequent performance of such person as aforesaid, whether or not any person has in fact been misled, deceived or damaged thereby.” N.J. Stat. Ann. § 56:8-2.

420. The NJCFA defines “merchandise” as including “any objects, wares, goods, commodities, services or anything offered, directly or indirectly to the public for sale.” N.J. Stat. Ann. § 56:8-1(c).

421. At all relevant times, OneMain was a “person” within the meaning of N.J. Stat. Ann. § 56:8-1(d).

422. At all relevant times, OneMain was a person engaged in the sale or advertisement of merchandise in New Jersey.

423. OneMain engaged in unconscionable commercial practices and/or acts of deception by, without limitation:

- a. Charging consumers for add-ons without informed consent;
- b. Selling add-ons that are redundant or of no/little value to consumers;
- c. Inducing borrowers to enter into larger, refinanced loan obligations (misleading consumers who refinance); and
- d. Causing consumers to pay unconscionable costs of financing through these practices.

424. Each unconscionable commercial practice and/or act of deception by OneMain constitutes a separate violation of the NJCFA, N.J. Stat. Ann. § 56:8-2.

**NINETEENTH CAUSE OF ACTION – New Jersey CFA
Violations of Federal Law (CFPA, TILA, and Regulation Z)
(Asserted by State of New Jersey)**

425. Plaintiff State of New Jersey re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of the Complaint.

426. The NJCFA provides that “[i]n an action brought by the Attorney General, any commercial practice that violates State or federal law is conclusively presumed to be an unlawful practice.” N.J. Stat. Ann. § 56:8-4(b).

427. As set forth in the preceding paragraphs, OneMain has violated the CFPA’s prohibition of unfair, deceptive, or abusive acts or practices in connection with its conduct in selling add-on products and misleading consumers who refinance.

428. As set forth in the preceding paragraphs, OneMain has violated TILA and Regulation Z in connection with its failure to properly disclose (1) finance charges and APRs, and (2) the commissions it receives from, and the amounts paid to, third-party insurance providers.

429. Each violation of the CFPA, TILA, and Regulation Z by OneMain constitutes a separate unlawful practice and violation of the NJCFA, N.J. Stat. Ann. § 56:8-2, under N.J. Stat. Ann. § 56:8-4(b).

**TWENTIETH CAUSE OF ACTION – Washington CPA
Unfair and Deceptive Acts and Practices Related to the Extension of Loans and
Insurance, Including Charging for Add-Ons Without Consumers’ Consent, Concealing
Commissions, and Misleading Consumers Who Refinance
(Asserted by State of Washington)**

430. Plaintiff State of Washington re-alleges and incorporates by reference the allegations contained in the preceding paragraphs of this Complaint.

431. Pursuant to the WA CPA, RCW 19.86.020, “[u]nfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce are hereby declared unlawful.”

432. At all relevant times in the course and conduct of offering and extending loans to Washington consumers, OneMain engaged in “trade or commerce” as those terms are defined by RCW 19.86.010(2).

433. In the course of operating its business, including offering and extending loans and associated insurance products to Washington consumers, OneMain engaged in unfair and/or deceptive acts and practices including, but not limited to, the following:

- a. Refusing to provide consumers the opportunity to read, understand, raise questions, or make objections to the cost, terms, or other obligations pertaining to add-on products during loan closings;
- b. Charging consumers for add-ons without ever mentioning them;
- c. Concealing from consumers the money it earns from insurance sales;
- d. Affirmatively representing to Washington consumers that it “may” retain a portion of the insurance sales when in fact OneMain owned the insurance company and thus *will* profit from insurance sales;
- e. Representing, directly or indirectly, expressly or by implication, that in order to obtain a loan, consumers are required to purchase add-on products;
- f. Failing to disclose the cost and material terms of credit insurance and/or other add-on products including: (i) that the entire premium for such products is financed up front; (2) that the consumer is paying interest on the premium for such products; and (iii) that OneMain, not the consumer, is the primary beneficiary on credit insurance policies;
- g. Requiring consumers to purchase non-credit and credit insurance to significantly increase the cost of installment loans;
- h. Failing to timely refund consumers in whole or in part and/or respond at all to consumer inquiries regarding cancelling one or more add-on products;

i. Repeatedly refinancing consumer installment loans in order to assess new fees and add-on products resulting in an increase in the cost of the loan and compounding consumers' terms of indebtedness;

j. Misleading consumers into believing that add-on products provide more coverage than they actually provide; and

k. Providing inadequate written disclosures during loan closings that do not correct misleading, material oral representations concerning the terms, price and/or optionality of the add-on(s).

434. OneMain's aforesaid unfair and deceptive methods, acts, and practices have affected the public interest in that they impacted numerous Washington consumers. These practices constituted a pattern of conduct that OneMain committed in the course of business and are likely to continue without relief from this Court.

435. The conduct described in Counts 1 through 4 herein that constitutes a violation of the CFPA's prohibition of "any unfair, deceptive, or abusive act or practice" pursuant to 12 U.S.C. § 5536(a)(1)(B) also constitutes unfair and/or deceptive acts or practices in trade or commerce in violation of the WA CPA, RCW 19.86.020. These practices constitute a pattern of conduct impacting the public interest and are likely to continue without relief from this Court.

436. The conduct described in Court 5 herein that constitutes a violation of the CFPA's prohibition on covered persons offering or providing consumer-financial products or services not in conformity with "Federal consumer financial law" or otherwise committing any act or omission in violation of a "Federal consumer financial law" pursuant to 12 U.S.C. § 5536(a)(1)(A) also constitutes unfair and/or deceptive acts or practices in trade or commerce in violation of the WA

CPA, RCW 19.86.020. These practices constitute a pattern of conduct impacting the public interest and are likely to continue without relief from this Court.

437. The conduct described in Count 6 herein that constitutes a violation of the TILA's requirement that lenders provide meaningful disclosure of credit terms, pursuant to 15 U.S.C. § 1601(a), and that written disclosures and itemizations of the amount financed to consumers must accurately disclose "each amount that is or will be paid to third persons by the creditor on the consumer's behalf" pursuant to 15 U.S.C. § 1638(a)(2)(A)(iii), also constitute unfair and/or deceptive acts or practices in trade or commerce in violation of the WA CPA, RCW 19.86.020. These practices constitute a pattern of conduct impacting the public interest and are likely to continue without relief from this Court.

438. Based on the above described unfair acts and practices, Washington is entitled to relief under the WA CPA, including injunctive relief and restitution pursuant to RCW 19.86.080, civil penalties pursuant to RCW 19.86.140 for each and every violation of RCW 19.86.020, and reimbursement of the costs of this action, including reasonable attorneys' fees, pursuant to RCW 19.86.080.

PRAYER FOR RELIEF

WHEREFORE, the Plaintiffs respectfully request that this Court issue an Order:

A. Declaring OneMain's conduct as described herein above to be in violation of the CFPA, NY Executive Law, NY General Business Law, PA CPL, CO C.R.S., MDCPA, NV DTPA, NJCFA, and WA CPA;

B. Permanently enjoining OneMain and all other persons acting on its behalf, directly or indirectly, from violating the CFPA, any other provision of Federal consumer financial law, as

defined by 12 U.S.C. § 5481(14), NY Executive Law, NY General Business Law, PA CPL, CO C.R.S., MDCPA, NV DTPA, NJCFA, WA CPA, or and any amendments thereto;

C. Directing OneMain to make full restitution to all borrowers who have suffered losses as a result of the acts and practices alleged in this Complaint and any other acts or practices proved by the Plaintiffs;

D. Permanently enjoining OneMain from selling, assigning, transferring, conveying, collecting or causing to be collected (including but not limited to through litigation or judgments) any portion of a loan (including principal and interest) that resulted from charges for add-on products or additional costs added due to refinancing;

E. Directing OneMain to withdraw any judgments, liens, garnishments, claims in bankruptcy, or other legal proceedings that OneMain have been initiated or entered against consumers relating to any refinance loans or loans that included charges for add-on products;

F. Directing OneMain to cease and desist furnishing any negative credit information to a consumer reporting agency with respect to any loans that included charges for add-on products;

G. If OneMain has furnished such negative credit information to a consumer reporting agency with respect to any loans that included charges for add-on products, directing OneMain to instruct the consumer reporting agency to delete all such negative credit information;

H. Directing OneMain to disgorge and forfeit all money it has derived as a result of the conduct alleged herein;

I. For those loans where required add-ons cause the interest rate to exceed a state usury limit, invalidating any beneficial interest in consumer debt purportedly owed by consumers and declaring that those balances were void *ab initio*;

K. Directing OneMain to pay to Plaintiffs appropriate civil penalties pursuant to the CFPA, the NY Executive Law, NY General Business Law, PA CPL, CO C.R.S., MDCPA, NV DTPA, NJCFA, and/or WA CPA;

L. Directing the rescission or reformation of contracts where necessary to redress injury to borrowers;

M. Directing OneMain to pay the Plaintiffs' investigative and litigation costs in this matter;

N. For any loans with add-ons that are secured by a motor vehicle, directing OneMain to, within thirty (30) days: (1) provide the state department of motor vehicles with all documents necessary to mark as satisfied and released any related liens, and (2) convey proper and rightful vehicle title to the owners of such vehicles; and

O. Granting such other general, equitable, and/or further relief as the Court deems just and proper.

(Signature Page Follows)

Dated: March 16, 2026

Respectfully submitted,

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