

Online Payday Lenders And Their Partners Have Donated Over \$79,000 To Senate Minority Leader Mitch McConnell; Will This Buy His Loyalty During The Upcoming CRA Fight Against "Rent-A-Bank" Schemes?

Payday Lender Elevate Financial Uses A "Rent-A-Bank" Partnership With Kentucky-Based Republic Bank & Trust To Avoid State Interest Rate Caps And Even State Laws That Outright Ban Payday Loans.

A "Rent-A-Bank" Scheme Is Being Used By Elevate Financial, In Partnership With Republic Bank & Trust, To Avoid Interest Rate Caps In Minnesota, Montana, And Oregon And In Other States That Have Outright Banned Payday Loans.

Elevate Financial Currently Uses Kentucky-Based Republic Bank & Trust In Order To Receive "Pre-emption Protection," With "Elevate Suppl[ying] The Underwriting Software" And Republic Bank Holding Onto The Loan And Then Selling "A 90 Percent 'Participation Interest' To An Affiliate Of Elevate." "Non-bank payday lenders try to get in on the action by putting a bank's name on the loan, allowing them the pre-emption protection. One company engaged in this is Elevate Financial. Its line-of-credit product, Elastic, uses Republic Bank, which is chartered in Kentucky, to make the loans. Elevate supplies the underwriting software and therefore controls who gets a loan. Republic Bank holds onto the loans, but then sells a 90 percent 'participation interest' to an affiliate of Elevate. Functionally speaking, Elevate issues and effectively owns the loans, but it has a legal fig leaf that enables it to point to Republic Bank as the actual lender." [The American Prospect, [11/19/19](#)]

- **Kentucky-Based Republic Bank & Trust Is Associated With Elastic Credit.** "Republic Bank & Trust Company, member FDIC, is the issuing bank for the Elastic line of credit. Founded in 1982 and headquartered in Louisville, Kentucky, Republic Bank & Trust Company has grown into the largest Kentucky-based bank with over \$4 billion in assets and nearly 50 banking centers." [Elastic Credit, accessed [01/31/20](#)]

By Going Through State-Chartered Banks Like Republic Bank & Trust, Elevate Is Able To Bypass Interest Rate Caps "In States Like Minnesota, Montana, and Oregon," While "Sell[ing] What Is Effectively A Payday Lending/Installment Loan Product Called Rise In States Where Payday Lending Has Been Banned." "This enables Elevate to sell Elastic, which its financial disclosures say carries an annual percentage rate of 109 percent, in states like Minnesota, Montana, and Oregon, which cap interest rates at 36 percent. It also allows Elevate to sell what is effectively a payday lending/installment loan product called Rise in states where payday lending has been banned, like Arizona. FinWise Bank, chartered in Utah, has also been helping Elevate and Opploans, a separate company, make loans with interest rates as high as 160 percent." [The American Prospect, [11/19/19](#)]

Elevate Has Originated Over \$1 Billion In High-Cost Loans With Effective APR Of Up To 109% Through Their Partnership With Republic Bank & Trust.

December 12, 2017: Elevate Announced It Had Originated Over \$1 Billion In Loans Through Its Partnership With Republic Bank & Trust And Had Over "\$260 Million In Total Principal Outstandings Across Over 150,000 Open Accounts." "Elevate Credit, Inc., a leading tech-enabled provider of innovative and responsible online credit solutions for non-prime consumers, today announced the Elastic product has originated more than \$1 billion, and has served over 200,000 customers since 2013. Elastic, a bank-issued line of credit offered by Republic Bank & Trust Company ("Republic Bank"), currently has more than \$260 million in

total principal outstandings across over 150,000 open accounts. Elastic passed the \$200 million in outstandings mark in May 2017." [Elevate Financial, [12/12/17](#)]

- "Elevate's Elastic line of credit uses FDIC-supervised Republic Bank & Trust (Kentucky) to offer lines of credit of \$500 to \$4,500 in a number of states with an effective APR of up to 109%." [National Consumer Law Center, accessed [03/24/21](#)]

Senate Minority Leader Mitch McConnell (R-KY) Has Taken Over \$79,000 From Companies And Organizations Profiting From Rent-A-Bank Schemes, Including Over \$36,000 From Kentucky-Based Republic Bank & Trust.

Senate Minority Leader Mitch McConnell (R-KY) Has Taken Over \$79,000 From Companies And Organizations With A Vested Interest In Maintaining Rent-A-Bank Schemes, Including Over \$36,000 From Republic Bank & Trust.

Date	Contributor	Recipient	Amount
09/12/08	Online Lenders Alliance PAC	McConnell Senate Committee '08	\$2,600
04/22/08	Online Lenders Alliance PAC	McConnell Senate Committee '08	\$2,000
09/23/10	Online Lenders Alliance PAC	McConnell Senate Committee '14	\$1,000
06/18/10	Online Lenders Alliance PAC	McConnell Senate Committee '14	\$1,500
09/23/10	Online Lenders Alliance PAC	McConnell Senate Committee '14	\$3,500
03/29/11	Online Lenders Alliance PAC	McConnell Senate Committee '14	\$3,500
09/28/12	Online Lenders Alliance PAC	McConnell Senate Committee '14	\$2,500
06/17/15	Online Lenders Alliance PAC	McConnell Senate Committee	\$2,500
06/28/16	Online Lenders Alliance PAC	McConnell Senate Committee	\$3,000
09/30/15	Online Lenders Alliance PAC	McConnell Senate Committee	\$1,000
09/29/16	Online Lenders Alliance PAC	McConnell Senate Committee	\$1,000
03/31/17	Online Lenders Alliance PAC	McConnell For Majority Leader Committee	\$1,000
07/05/18	Online Lenders Alliance PAC	McConnell Senate Committee	\$2,500
01/08/20	Online Lenders Alliance PAC	McConnell Senate Committee	\$5,000
10/14/10	Online Lenders Alliance PAC	Bluegrass Committee	\$2,500
06/30/20	CNG Holdings, Inc. PAC	McConnell Senate Committee	\$5,000
05/20/08	William Jones, Check Into Cash	McConnell Senate Committee '14	\$2,000
06/26/87	Bernard M. Trager, Republic Bank & Trust Co	McConnell Senate Committee '90	\$1,000
06/07/91	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$500
04/29/94	Steven E. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250
10/22/93	Steven E. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250
10/22/93	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250
04/29/94	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250

08/21/96	Steven E. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250
06/15/95	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250
02/05/96	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$750
11/05/99	Steven E. Trager, Republic Bank & Trust	McConnell Senate Committee '02	\$1,000
05/27/97	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '96	\$250
11/05/99	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '02	\$500
11/05/99	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '02	\$500
05/07/99	Bernard M. Trager, Republic Bank & Trust	McConnell Senate Committee '02	\$250
11/05/99	A. Scott Trager, Republic Bank & Trust	McConnell Senate Committee '02	\$1,000
02/12/01	Steven Trager, Republic Bank & Trust	McConnell Senate Committee '02	\$1,000
05/30/01	Bernard Trager, Republic Bank & Trust Co	McConnell Senate Committee '02	\$500
08/31/05	Steven Trager, Republic Bank & Trust	McConnell Senate Committee '08	\$1,000
08/31/05	Bernard Trager, Republic Bank & Trust Co.	McConnell Senate Committee '08	\$2,000
08/31/05	Scott Trager, Republic Bank & Trust Co.	McConnell Senate Committee '08	\$1,000
03/07/07	Scott Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$700
03/07/07	Bernard Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$1,700
03/07/07	Scott Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$1,300
03/07/07	Steven Trager, Republic Bank & Trust	McConnell Senate Committee '14	\$1,300
03/07/07	Steven Trager, Republic Bank & Trust	McConnell Senate Committee '14	\$700
09/07/07	Bernard Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$600
12/08/10	Bernard Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$500
03/07/07	Bernard Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$300
12/08/10	Steven Trager, Republic Bank & Trust Co./Chairman	McConnell Senate Committee '14	\$500
12/31/17	Steven E. Trager, Republic Bank & Trust Co	McConnell Senate Committee	\$2,300
12/11/12	Scott Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$1,000
12/11/12	Steven Trager, Republic Bank & Trust Co	McConnell Senate Committee '14	\$1,000
02/12/13	Steven Trager, Republic Bank & Trust Co.	McConnell Senate Committee '14	\$1,100

12/15/15	Christopher Carmicle, Republic Bank & Trust	McConnell For Majority Leader Committee	\$1,000
12/31/17	Steven E. Trager, Republic Bank & Trust Co.	McConnell Senate Committee	\$2,700
11/03/17	Steven E. Trager, Republic Bank & Trust Co.	McConnell For Majority Leader Committee	\$5,000
12/31/15	Christopher Carmicle, Republic Bank & Trust Co.	Bluegrass Committee	\$1,000
10/15/01	Bernard M. Trager, Republic Bank and Trust/Chairman	Bluegrass Committee	\$1,000
03/03/89	Bernard M. Trager, Republic Bank and Trust	Bluegrass Committee	\$1,000
Total:			\$79,500

Bluegrass Committee Is Sponsored By Sen. Mitch McConnell (R-KY). [Federal Election Commission, accessed [03/04/21](#)]

Bernard M. Trager, Steven E. Trager, And Scott Trager Have All Been Senior Executives And Directors Of Republic Bank And Trust. [Republic Bancorp Schedule 14A, Securities and Exchange Commission, [04/07/02](#)]

The Online Lenders Alliance Is A Trade Association Representing Financial Technology Companies "Offering Loans Online." "The Online Lenders Alliance (OLA), the center for lending, technology and innovation, represents the growing industry of companies offering loans online. [...] OLA member companies are among the most innovative financial technology companies committed to the highest standards of conduct, dedicated to ensuring the best possible experience for their customers, and fully compliant with federal law." [Online Lenders Alliance, accessed [03/24/21](#)]