



## News

### Vaishali Rao Discusses in MarketWatch the CFPB's Attempt to Invalidate an Educational Company's Income-Share Agreements

August 11, 2023

Hinshaw partner Vaishali Rao was extensively quoted in a *MarketWatch* article discussing the expansion of the income-share agreement (ISAs) industry and efforts by state attorneys general and federal regulators to label some of them as predatory loans. The Consumer Financial Protection Bureau (CFPB) recently sought to invalidate the ISAs of Prehired, a now-bankrupt tech-training company.

Rao observed that the complaint marks the second time the CFPB has made clear it believes that companies and schools marketing ISAs need to provide potential customers with the same types of disclosures required in a traditional lending product. "This is a good complaint for ISA industry members to read, and not just the press release," she added.

Rao noted that even without a ruling from a court, some ISA providers might choose to implement the CFPB's position that the agreements should come with truth-in-lending disclosures. She added that ISAs can still be a risky product for providers to offer because there isn't an explicit compliance regime. However, if providers try to avoid pitfalls by making sure they're communicating clearly with consumers and using the truth-in-lending disclosures the CFPB expects, ISAs can still be workable.

[View the full article](#) (*subscription required*)

"They're just preying on people's hopes': Inside the battle over job-training agreements" was published by *MarketWatch* on August 7, 2023.

#### Attorneys

Vaishali S. Rao

#### Service Areas

Consumer Financial Services  
Regulatory and Compliance  
Counseling

#### Offices

Chicago