

## Witherspoon Explores Non-Bank Partnerships, Complexities of State Consumer Finance Regulations in *Law360*

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Stinson LLP attorney [Tom Witherspoon](#) authored an article for *Law360*, "Md. Deal Highlights Consumer Finance Program Regulations."

Witherspoon explores a recent Maryland state-level settlement involving a bank partnering with non-banks to offer loans and credit services to consumers. Witherspoon provides insight into the settlement, which highlights the complexities of state consumer finance licensing laws, and details issues surrounding debt collection and lender, credit services and collection agency licenses, particularly in the context of bank partnerships.

Witherspoon emphasizes the importance of properly structuring a consumer lending bank partnership and conducting sufficient due diligence regarding state licensing requirements. He notes that consumer lending laws differ on a state-by-state basis and regulatory interpretations can differ despite similar language, highlighting the challenges and potential risk non-banks face when operating in the consumer finance space.

"The main advantage of partnering with a bank is to enjoy interest rate preemption and exportation," Witherspoon said. "To avoid state regulatory risks, it is important to carefully structure the activities of the various parties involved in bringing the consumer finance program to market and the economic benefits shared by those parties."

Witherspoon's practice focuses on payments, consumer financial products, and other bank and financial regulatory matters, with an emphasis on compliance, financial transactional and litigation matters. He helps banks and other financial institutions navigate the complexities of federal and state law and

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regulation applicable to their operations, relationships, product development and compliance management.

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