



News Release

OneMain Holdings, Inc. Comments on Settlement with the Consumer Financial Protection Bureau

5/31/2023

OneMain Agrees to Extend Industry-Leading Refunding Practices to Purchasers of Optional Non-Credit Insurance and Third-Party Membership Plans; Will Also Extend Full-Refund Period to 60 Days for all Optional Products

NEW YORK--(BUSINESS WIRE)-- OneMain Holdings, Inc. (NYSE: OMF) today commented on an agreement reached with the Consumer Financial Protection Bureau (CFPB) relating primarily to the handling of interest refunds for certain optional products that our customers purchased, but later canceled within the first 30 days.

“OneMain is pleased to resolve this matter related to our refunding practices for some optional products, even though we do not agree with the CFPB’s conclusions. OneMain has agreed to issue interest refunds to the fewer than one percent of our customers who, within the last four years, received a refund of their premium or fee through a check rather than a statement credit after canceling an optional product within 30 days of purchase.

OneMain provides valuable products to customers in a fair, transparent and responsible manner. We are deeply committed to our customers and doing things the right way. This resolution is consistent with our mission of improving the financial well-being of hardworking Americans.

Going forward, OneMain will expand its 30-day full refund period for optional products to 60 days, ensuring all customers wishing to cancel for a full refund will have additional time to do so. The expanded full refund period complements OneMain’s industry-leading sales practices and compliance controls for optional products, which for many years already included, among other protections:

- Customer-controlled touchscreens implemented in early 2019 that ensures all customers receive full and clear disclosures, are able to review documents and make product choices at their own speed and with their own hands.



- Very strong controls around sales practices for optional products where it is made abundantly clear that the purchase of optional products is not required to obtain a loan.
- Numerous clear and conspicuous written disclosures to customers before, during and after loan closing explaining that the products are optional and that the customer has full control over their decision to purchase, finance and cancel optional products.
- An attestation at the end of each loan closing, signed by both the customer and the employee handling the closing, that the customer has been given adequate time to review all loan documents, has had control of the touchscreen, and has had all of their questions answered.
- Reasonably priced and valuable optional products that offer our customers a range of insurance protections and membership plans that are appropriate to their specific situations.

Many of the enhancements identified in the Consent Order have already been in place at OneMain for years, and the remainder have been completed, or are expected to be completed this year.

Since 2018, OneMain has led the industry by offering credit insurance customers who cancel their insurance within 30 days a full statement credit of premium and all associated interest, although not required by law. Similarly, OneMain has offered non-credit insurance or third-party membership plan customers who cancel their product within 30 days a full refund of their premium or fee. However, because these refunds were made to the customer by check instead of by statement credit, the interest associated with these refunds was not refunded.

As part of its agreement with the CFPB, OneMain will extend the same refund method to all optional products customers who cancel, regardless of product type. As a result, customers who cancel optional products will no longer receive refunds by check (except in states where the law requires it) but will instead receive credits to their statements, along with the removal of associated interest.”

About OneMain Financial

OneMain Financial (NYSE: OMF) is the leader in offering nonprime customers responsible access to credit and is dedicated to improving the financial well-being of hardworking Americans. We empower our customers to solve today's problems and reach a better financial future through personalized solutions available online and in 1,400 locations across 44 states. OneMain is committed to making a positive impact on the people and the communities we serve. For additional information, please visit www.OneMainFinancial.com.

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