

STOP THE PAYDAY LOAN DEBT TRAP



Mr. David Willetts  
Chief Executive Officer  
Icahn Enterprises  
16690 Collins Ave  
Ph 1  
Sunny Isles Beach, FL 33160-5688

CC: AAMCO  
201 Gibraltar Rd  
Suite 100  
Horsham, PA 19044-2329

CC: Precision Auto Tune  
748 Miller Drive, SE,  
Leesburg, VA 20175

Dear Mr. Willetts,

Accountable.US, Americans for Financial Reform Education Fund, Center for Responsible Lending, Center for LGBTQ Economic Advancement & Research (CLEAR), Consumer Federation of America, and National Consumer Law Center write to urge Icahn Enterprises and its brands, AAMCO and Precision Auto Tune, to stop offering loans through predatory lenders EasyPay Finance and Transportation Alliance Bank (TAB Bank), which **charge up to 189% annual interest, including in states where that rate is illegal,<sup>1</sup> and have generated hundreds of complaints about deceptive and abusive practices.**

Consumers struggling to pay for auto repairs repeatedly report being steered into predatory loans with shocking and often deceptive rates hidden in the fine print of applications, frequently not known until after the repairs are completed. These predatory loans have a lasting impact on consumers, causing harm to their credit reports and leading to debt collection harassment. Facilitating predatory loans violates principles of business ethics that your companies claim to uphold. We urge Icahn Enterprises and its franchisees to disassociate itself from these practices that exploit vulnerable families.

Through [auto repair and tire shops across the country](#), including those operating under your brand, [EasyPay Finance](#) (which is owned by Duvera Billing Services) offers loans up to 189%

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<sup>1</sup> National Consumer Law Center, "High-Cost Rent-a-Bank Loan Watch List," accessed May 4, 2022, <https://www.nclc.org/issues/high-cost-small-loans/rent-a-bank-loan-watch-list.html>.

APR. EasyPay advertises to auto repair shops that it can "Increase Your Shop's Revenue" and prevent "Losing Your Credit Challenged Customers."<sup>2</sup>

But many states [do not allow](#) those predatory interest rates. In those states, EasyPay launders its loans through **Transportation Alliance Bank (TAB Bank)** because banks are exempt from state rate caps. This is a scheme for EasyPay to collect exorbitant rates it cannot legally charge directly. In other states, EasyPay lends directly in its own name, often as a retail installment sale.

EasyPay loans are souring consumers on your companies and discourage their repeat business.

**Hundreds of consumers** have complained about EasyPay auto repair and tire loans. Complaints to the [Consumer Financial Protection Bureau](#), [Better Business Bureau](#), and [Ripoff Reports](#) describe:

- **Outrageous interest rates of 100% to 189%**, sometimes charged to **servicemembers and veterans**. Consumers are shocked that payments for months and years have little impact on the balance.
- Interest rates **hidden in fine print** or not disclosed until repairs are finished. Applications taken over the telephone, or required to be completed on small smartphones, without written copies, leave consumers in the dark about the terms.
- **Deceptive promises of full interest rebates** if paid in 90 days, with numerous obstacles that prevent consumers from avoiding interest or knowing their balance to pay off the loan.
- **Electronic debits that were not authorized**, differed from the agreed payment, or continued after a payment plan was fulfilled.
- **Rude and unhelpful customer service and administrative errors**, leading to missed payments, fees, and loss of the interest-free option.
- **Harm to credit reports**, including from loans paid in full or reported for the wrong consumer. No response to consumer disputes.
- **Debt collection harassment** and refusal to honor payment plans, including for those impacted by COVID.

We are including a copy of a [new report](#) showing consumer experiences with businesses, like yours, that offer these types of loans.<sup>3</sup>

For example, one AAMCO customer asked if AAMCO was “in cahoots” with the lender over a surprise 189% APR interest rate resulting in a \$3,420 cost for a \$1,500 loan for a transmission:

*“My wife... had to have a Transmission Repaired. She went to AAMCO Transmissions in [Los Angeles] (San Fernando Valley). After checking her transmission it was decided that it would have to be replaced. Cost for Transmission with 1 year warranty was*

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<sup>2</sup> Accountable.US, Auto Repair Conglomerates Profiting Off Predatory "TripleDigit" Interest Loans To Consumers In Need (May 16, 2022), <https://www.accountable.us/wp-content/uploads/2022/05/2022-04-15-EasyPay-Auto-Repair-Research-FINAL.pdf>.

<sup>3</sup> Stop the Debt Trap, Predatory Auto Repair Loans By TAB Bank and EasyPay Finance (May 2022), [https://www.nclc.org/images/pdf/high\\_cost\\_small\\_loans/Rpt-TAB\\_Auto\\_Repair-5.11.22.pdf](https://www.nclc.org/images/pdf/high_cost_small_loans/Rpt-TAB_Auto_Repair-5.11.22.pdf).

*\$3100.00 She paid \$1600.00 up front and AAM through the company that they say they deal with, DUVERA Financial of Carlsbad CA. After giving AAMCO's mgr all of her Banking Information, he called and said it had been approved. She had the work done. THEN when given the paperwork from the Finacial Institution, DUVERA, she found out that her payments would be \$285.00 a month for 12 months at the interest rate of 189%..A total of \$3420.00 for a \$1500.00 loan. When she called DUVERA to inquire about the excessive[ ]interest rates, the represent[at]ive told her that since they are a financial instituion, they can charge whatever interest rate they wanted. The representative did tell her that if she could pay it off in 90 days, there would be n[o ]interest charged. I mailed a check today to cover the \$1500.00 along with a letter telling them that I was going to forward this to the State to see if this is against the law. I am going to go to the AAMCO store where she had the work done to find out if the manager knows about these practises. Maybe AAMCO is in cahoots with them.”<sup>4</sup>*

That story is typical of many more discussed in [our report](#).

We strongly urge you to ensure that loans obtained through repair shops that carry your brand are not steered to the predatory lender EasyPay Finance and its partner TAB Bank.

Sincerely,

Accountable.US  
Americans for Financial Reform Education Fund  
Center for Responsible Lending  
Center for LGBTQ Economic Advancement & Research (CLEAR)  
Consumer Federation of America  
National Consumer Law Center

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<sup>4</sup> See *Id.* Story #18.