



April 19, 2018

ATTORNEY GENERAL MADIGAN FILES LAWSUIT AGAINST ILLEGAL LENDER***Madigan Alleges Future Income Payments LLC Defrauded Consumers out of Thousands of Dollars in Pension Benefits through Illegal Short-Term Loans***

Chicago — Attorney General Lisa Madigan today announced a lawsuit against a Nevada-based company for an illegal, predatory lending scheme that exploited Illinois consumers by targeting their retirement benefits. Madigan filed the lawsuit against Future Income Payments LLC (FIP) alleging the company illegally made installment loans without a license and tried to disguise the loans as “pension sales.”

According to Madigan’s complaint, filed in Sangamon County Circuit Court, FIP operates illegally in Illinois without a license and charges exorbitantly high rates for its loans that violate Illinois law. In addition, Madigan alleged that FIP illegally advertises its loans as a way to obtain cash quickly in exchange for payments from a consumer’s pension benefits. State and federal laws restrict selling or transferring pension benefits, making the premise of FIP’s sales illegal.

For a \$2,000 to \$5,000 loan, consumers repay FIP from their monthly pension payments. Due to extremely high finance charges, consumers paid back tens of thousands of dollars more than they received in the loan from FIP.

In one instance, FIP provided a consumer \$2,100, but the consumer was required to pay back a total of \$16,800 from their pension payments at \$350 per month for four years. In that case, the finance charge totaled \$14,700 – the equivalent of a 200 percent annual percentage rate. Further, Madigan alleged FIP never revealed the finance charges to the consumer, instead concealing the extraordinarily high interest rates of its loans from consumers.

“Future Income Payments engaged in an illegal and deceptive scheme that took advantage of vulnerable people needing financial assistance,” Madigan said. “Future Income Payments’ illegal loans were outrageously expensive and left people in far more debt than they intended.”

Madigan’s complaint alleges that FIP advertised its loans online, and once a consumer expressed interest, they were contacted by an FIP agent who helped them fill out an application with information about their pension plan benefits and bank account information. In several cases, people reported that FIP continued to withdraw money from accounts even after they attempted to cancel the agreement. At least one consumer reported that FIP informed them the transactions were allowed even after their pension company said the transaction was not legal.

The Attorney General’s lawsuit asks the court to void deceptive contracts and seeks restitution for consumers. Madigan is also seeking to prohibit FIP from marketing or offering loan services without being licensed by the state, as well as asking the court to impose civil penalties.

Deputy Bureau Chief Paul Isaac and Assistant Attorneys General Ike Heimlich and Grant Swinger are handling the case for Madigan’s Consumer Fraud Bureau.

To file a consumer fraud complaint against FIP, visit Madigan’s [website](#) or contact her office’s Consumer Fraud Hotline at 1 (800) 243-0618.



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