

**STATE OF NEW HAMPSHIRE
BANKING DEPARTMENT**

In The Matter of: Credit Karma, Inc.

Case No. 17-044

CONSENT ORDER

The State of New Hampshire Banking Department (“Department”), acting in agreement with the respondent, Credit Karma, Inc. (“Credit Karma”), finds and orders as follows:

Jurisdiction¹

Pursuant to RSA 399-A:2, I², the New Hampshire Banking Department (“Department”) is charged with regulating persons that “engage in the business of making small loans, title loans, or payday loans” in New Hampshire or with consumers located in New Hampshire. Pursuant to RSA 399-A:1, VIII³, the act of making small loans includes acting as an “intermediary, finder, or agent of a...borrower for the purpose of negotiating, arranging, finding, or procuring loans, or commitments for loans.” Pursuant to RSA 399-A:10, I⁴, the Department is authorized to examine the business affairs of any licensee or non-licensee small loan lender to determine compliance with RSA 399-A.

Background

Credit Karma is a Delaware corporation with a principal office location in San Francisco, California. Credit Karma is the parent company of Credit Karma Offers, Inc., a Department

¹ Since the activities that are the subject of this Consent Order occurred both prior to and after January 1, 2016, the first citations are to the law in effect until January 1, 2016. Footnoted citations thereafter are to the new citations effective as of January 1, 2016, if different from the prior law.

² RSA 399-A:2, I is the new citation effective as of January 1, 2016, which now states “engage in the business of a small loan lender...”

³ RSA 399-A:1, XII(a) is the new citation effective as of January 1, 2016.

⁴ RSA 399-A:13, I is the new citation effective as of January 1, 2016.

small loan lender licensee as of January 2, 2018. Pursuant to its authority under 399-A:10, I⁵ and IV⁶, the Department, through the Consumer Credit Division, conducted an investigation of Credit Karma.

Through its investigation, the Department determined that from 2013 through 2017, Credit Karma served as an intermediary, finder, or agent for New Hampshire consumers for the purpose of negotiating, arranging, finding, or procuring loans, or commitments for loans from various Department-licensed small loan lenders through the Credit Karma online platform. It is the Department's position that Credit Karma conducted such activity in violation of RSA 399-A:2, I. Credit Karma explained its good faith legal position to the Department that its activity with respect to New Hampshire consumers is not governed by RSA Chapter 399-A, and neither admits nor denies any of the findings herein or any violation of New Hampshire law. Credit Karma fully cooperated with the Department.

Acknowledgments

WHEREAS, Credit Karma makes the following acknowledgements:

1. As an economical and efficient way to resolve the matters set forth herein, Credit Karma voluntarily enters into and signs this Consent Order without reliance upon any discussions between the Department and Credit Karma, without the promise of a benefit of any kind (other than the concessions contained in this Consent Order), and without threats, force, intimidation or coercion of any kind.
2. Credit Karma understands the nature of the allegations set forth herein and that they constitute grounds for potential sanctions, as provided by law.
3. Credit Karma acknowledges, understands, and agrees that it has the right to notice

⁵ RSA 399-A:13, I is the new citation effective January 1, 2016.

⁶ RSA 399-A:13, VII is the new citation effective January 1, 2016.

and an adjudicatory hearing to contest the matters set forth herein, including any appeal, and hereby waives those rights. Credit Karma further acknowledges it waives the filing of any civil actions related to this matter.

4. Credit Karma understands that its action in entering this Consent Order is a final act and not subject to reconsideration or judicial review or appeal.
5. Credit Karma represents and warrants that it has all the necessary rights, powers and abilities to carry out the terms of this Consent Order.
6. Credit Karma acknowledges that the Department is relying upon Credit Karma's representations and warranties stated herein in making its determinations in this matter.
7. Credit Karma acknowledges that this Consent Order may be revoked and the Department may pursue any and all remedies available under the law against Credit Karma if the Department later learns that Credit Karma knowingly or willfully withheld information from the Department.
8. This Consent Order is binding on all heirs, assigns and successors in interest.

Order

Pursuant to RSA 399-A:16, VI⁷, the Bank Commissioner ("Commissioner") finds this action necessary or appropriate to the public interest or the protection of consumers and consistent with the purposes fairly intended by the policy and provisions of RSA Chapter 399-A. Accordingly, the Commissioner orders as follows:


1. Credit Karma shall remit an administrative fine in the amount of \$200,000. The payment shall be made contemporaneously with Credit Karma's execution of this

⁷ RSA 399-A:20, VI is the new citation effective January 1, 2016.

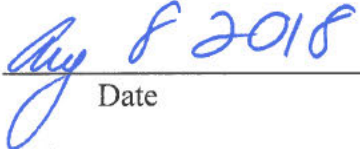
Consent Order, by bank check made payable to the "State of New Hampshire."

2. Failure by Credit Karma to comply with any portion of this Consent Order shall constitute a separate and sufficient basis for administrative action, up to and including license revocation and monetary penalties.
3. This Order fully resolves this matter and the Commissioner will not take further action against Credit Karma for the allegations presented herein. However, the Department may take enforcement action against Credit Karma for any violation of this Consent Order or the matters underlying its entry, if the Commissioner determines that compliance with the terms of this Order are not being observed or if any representation made by Credit Karma and reflected herein is subsequently discovered to be untrue.
4. This Consent Order shall become final when issued.


Recommended by:



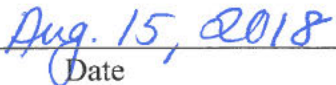
Maryam Torben Desfosses
Hearings Examiner
New Hampshire Banking Department



Date



~~Kenneth Jian-Hong Lin~~ *Susannah S. Wright*
~~Chief Executive Officer~~ *Chief Legal Officer*
Credit Karma, Inc.

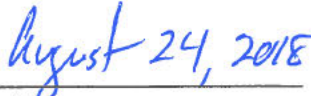


Date

SO ORDERED.



Gerald H. Little
Bank Commissioner
New Hampshire Banking Department



Date