

# Tennessee Reaches Settlement with Mariner in Multistate UDAAP Enforcement Action

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On May 8, 2026, Tennessee became the first plaintiff state to reach a [proposed settlement](#) in *Commonwealth of Pennsylvania, et al. v. Mariner Finance, LLC*, No. 2:22-cv-03253-KBH (E.D. Pa.), the multistate enforcement action brought in August 2022 by a coalition of state attorneys general alleging that Mariner engaged in unfair, deceptive, and abusive acts or practices (UDAAP) in connection with the sale of add-on insurance products and in the origination of installment loans in violation of the Consumer Financial Protection Act, the Truth in Lending Act, and various state consumer protection laws. Mariner does not admit any allegations of wrongdoing or violations of applicable law.

Under the proposed consent judgment, Mariner would pay \$11.1 million in consumer redress, consisting of a \$1 million payment to the Tennessee Attorney General for restitution and \$10.1 million in cancellation of consumer debt. Mariner would also pay \$150,000 in attorneys' fees and costs, plus up to \$200,000 in third-party administration costs.

## Operational Conduct Requirements

The proposed order also imposes conduct requirements on Mariner's Tennessee operations. These include the following:

- **A sequenced disclosure framework, which the order referred to as Disclosures A through E**, that Mariner must provide to consumers at specific stages of the loan origination and add-on product sales process. The form and content of these disclosures were agreed to by the parties and are not publicly available. The order also requires various oral disclosures.
- **Mariner must ensure that all electronically-signed disclosures and loan documents are stamped with the time they are each signed.** The order also requires Mariner to comply with applicable federal and state laws regarding e-signatures.

- **A requirement that all optional add-on products can be canceled at any time and are fully refundable if canceled within the first 60 days after origination**, which period will be extended if it is determined that the consumer was ineligible for the product.
  - Mariner must also offer the consumer the option to cancel an add-on product and provide a full refund if it is determined at any time that the consumer was “unaware or misinformed” about the product. The order also imposes requirements on Mariner’s communications with a borrower after receiving a cancellation request, including refraining from attempting to convince the consumer not to cancel.
- **A requirement that Mariner cease asking consumers to provide references in loan applications**, and a prohibition on contacting references that were obtained prior to the settlement.
- **A prohibition on charging origination fees** on any refinance “between the same products within three months of origination of the loan being refinanced.”
- **A prohibition on compensating employees** based on optional product sales
- **Enhanced monitoring, audit, training, and compliance procedures.** These include a requirement to implement a centralized cancellation team for optional product cancellations and a requirement to record and audit all telephone calls with consumers regarding complaints and cancellation requests.

## Proposed Order Expires in 5 Years

Mariner’s conduct obligations would remain in effect for **five years after the effective date, which is defined as 180 days after the court approves the consent judgment.** The attorneys general of Pennsylvania, the District of Columbia, Illinois, Indiana, New Jersey, New York, North Carolina, Oregon, Utah, Washington State, and Wisconsin remain as plaintiffs in the matter, which is ongoing.

If you have questions about the implications of the proposed order, please contact the authors or your Hinshaw attorney you have worked with previously.

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