



Press Releases

FDIC Announces Settlement with Bank of Lake Mills, Freedom Stores, Inc., and Military Credit Services, LLC, for Unfair and Deceptive Practices

Requires restitution to harmed consumers including military service members and their families

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Media contact:
Greg Hernandez
(202) 898-6984
ghernandez@fdic.gov

The Federal Deposit Insurance Corporation (FDIC) today announced settlements with Bank of Lake Mills, Lake Mills, Wisconsin, and two of its institution-affiliated parties, Freedom Stores, Inc. and Military Credit Services, LLC (MCS), for unfair and deceptive practices, in violation of Section 5 of the Federal Trade Commission (FTC) Act.

As part of the settlement, the bank, Freedom Stores, and MCS stipulated to the issuance of respective Orders for Restitution and Orders to Pay Civil Money Penalties (collectively, FDIC Orders). The FDIC Orders require restitution of approximately \$3 million to harmed consumers, and assess civil money penalties of \$151,000 against Bank of Lake Mills, \$54,000 against Freedom Stores, and \$37,000 against MCS. The Orders require a restitution plan that covers all past and present borrowers who, from 2013 to 2015, received loans originated by the bank through Freedom Stores and MCS, and were harmed by the practices identified as being unfair or deceptive.

The FDIC determined that Bank of Lake Mills, Freedom Stores, and MCS violated federal law prohibiting unfair and deceptive practices by, among other things:

- Charging interest to consumers who paid off their loans within six months when the loans were promoted as six-month interest free;
- Selling add-on products in conjunction with loans originated by the bank without clearly disclosing the terms of those products; and
- Failing to provide consumers the opportunity to exercise the monthly premium payment option in conjunction with the purchase of optional debt cancellation coverage on loans originated by the bank through the Freedom Stores and MCS channels.

The Orders also require Bank of Lake Mills, Freedom Stores, and MCS to take affirmative steps to ensure compliance with the FTC Act.

Consumers who are eligible for relief under the settlement are not required to take any action to receive restitution.

Attachments:

[Bank of Lake Mills Order for Restitution and Order to Pay Civil Money Penalty](#)

[Freedom Stores, Inc. Order for Restitution and Order to Pay Civil Money Penalty](#)

[Military Credit Services, LLC Order for Restitution and Order to Pay Civil Money Penalty](#)

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Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. The FDIC insures deposits at the nation's banks and savings associations, 5,913 as of December 31, 2016. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars—insured financial institutions fund its operations.

FDIC press releases and other information are available on the Internet at www.fdic.gov, by subscription electronically (go to www.fdic.gov/about/subscriptions/index.html) and may also be obtained through the FDIC's Public Information Center (877-275-3342 or 703-562-2200). PR-38-2017

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communications@fdic.gov

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