



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

GOVERNOR **Gavin Newsom** • COMMISSIONER **Clothilde V. Hewlett**

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DFPI Secures \$300,000 in Borrower Refunds and Penalties from Crypto Lending Platform, SALT Lending LLC

SACRAMENTO – Today, the California Department of Financial Protection and Innovation (DFPI) announced a [consent order](#) with SALT Lending LLC (SALT) to resolve the DFPI’s investigation into SALT’s crypto-backed lending program.

As part of the negotiated resolution, the DFPI secured approximately \$162,800 in borrower refunds and \$137,500 in penalties, as well as stringent underwriting requirements, risk disclosures, and other consumer protections. From November 2019 through November 2022, SALT contracted for 342 loans with 151 California residents.

“Lenders have a responsibility to accurately represent the terms of loans extended to borrowers, as well as disclose associated charges, fees, and risks. Loans backed by crypto assets are no exception,” said Commissioner Clothilde V. Hewlett.

SALT, a Colorado company, provides crypto-asset-related financial services to retail and institutional customers in the United States. In November 2018, SALT began to offer consumer and commercial loans to California residents. These loans include crypto and fiat money loans with crypto collateral. Under SALT’s lending program, borrowers provide crypto assets as collateral and receive loans in crypto assets or fiat money.

Under the consent order, the DFPI cited SALT for violations under the [California Financing Law](#) for failing to adequately consider borrowers’ ability to repay their loans; understating the annual percentage rates for consumer loans and making false and misleading representations about those rates; charging undisclosed administrative fees to borrowers; and conducting certain unsafe and injurious business practices. In addition, from October 2022 through April 2023, SALT failed to maintain the required net worth of at least \$25,000.

Per the order, SALT will send email notices to eligible California borrowers with their refund amount and instructions on how to receive it. SALT will send email notices to California borrowers with active loans that include information for closing their loans. Notices will be emailed no later than January 22, 2025.

About DFPI

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The California Department of Financial Protection and Innovation (DFPI) protects consumers, regulates financial services, and fosters responsible innovation. The DFPI protects consumers by establishing and enforcing financial regulations that promote transparency and accountability. We empower all Californians to access a fair and equitable financial marketplace through education and preventing potential risks, fraud, and abuse. Learn more at dfpi.ca.gov.

The DFPI expects any person offering securities, lender, or other financial services provider that operates in California to comply with our financial laws. Consumers may submit a complaint with the DFPI online (dfpi.ca.gov/submit-a-complaint) or call toll-free at (866) 275-2677.

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