



STATE OF CALIFORNIA

Department of Financial Protection and Innovation

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

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Los Angeles-based Rent-to-Own Furniture Startup Agrees to Refund Overcharges and Comply with Consumer Protection Laws

SACRAMENTO – In its first action against a rent-to-own firm violating the California Consumer Financial Protection Law (CCFPL), the Department of Financial Protection and Innovation (DFPI) today finalized a [settlement](#) with Los Angeles-based rent-to-own furniture provider Fernished, Inc., doing business as Fernish.

Based on DFPI’s investigation, the DFPI found that Fernish overcharged consumers late payment fees and failed to provide consumer disclosures required under California’s rent-to-own law (the Karnette Rental-Purchase Act) in violation of the CCFPL, which became operative this year. As part of the settlement, Fernish agrees to desist and refrain from violating the CCFPL, refund at least 387 customers overcharges, and to begin offering its rent-to-own products and services in compliance with the Karnette Rental-Purchase Act.

“It is important for all companies to prioritize compliance with consumer financial protection laws so consumers can make informed decisions,” said DFPI Commissioner Clothilde V. Hewlett. “This first action against a rent-to-own firm reminds California businesses and consumers that the DFPI will be exercising its expanded authority under the new law.”

The DFPI wishes to thank the office of California Attorney General Bonta for their assistance in this action.

In 2020, Gov. Gavin Newsom signed the CCFPL into law, expanding the DFPI’s authority to oversee a broader range of consumer financial products and services, including certain rent-to-own services. This settlement reflects the initiative of the DFPI to exercise its newly expanded authority.

Founded in 2017, Fernish rents home furnishings to consumers who can purchase, swap, continue to lease, or return the items at the end of the initial rental term. The consent order announced today is an agreement by Fernish that they are subject to the oversight authority of the DFPI and that they will comply with terms of the CCFPL. It also compels Fernish to waive the right to any additional hearing or appeal.

In addition to regulating certain rent-to-own providers, the DFPI licenses and regulates state-chartered banks and credit unions, commodities and investment advisers, money transmitters, the offer and sale of securities and franchises, broker-dealers, nonbank installment lenders, payday lenders, mortgage lenders and servicers, escrow companies, Property Assessed Clean Energy (PACE) program administrators, debt collectors, credit repair and consumer credit reporting agencies, debt-relief companies, and more.

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