



NEWS RELEASE

Attorney General Mike Hilgers

FOR IMMEDIATE RELEASE

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Attorney General Hilgers Leads \$664 Million Multistate Settlement Against Snap Finance

Attorney General Mike Hilgers announced today that he joined a coalition of 17 attorneys general in a nearly \$664 million settlement with Snap Finance. As part of the settlement, Snap Finance will automatically cancel \$2,652,091 in lease payments owed by 1,349 Nebraska consumers who entered into lease-to-own agreements from 2017-2022. These Nebraska Consumers will be able to keep and own their merchandise without making any further payments.

Snap Finance ("Snap") is a consumer financial services company that offers a lease-to-own agreement through merchant partners rather than through its own brick-and-mortar stores like traditional rent-to-own stores. The attorneys general investigated Snap and found that Snap used misleading disclosures about its leasing arrangements. Snap did not let customers view the full terms of their contracts; customers faced major communication issues when trying to return products, and Snap's payment terms were confusing.

Some customers thought they were entering into agreements with short payback windows of 100 days or fewer but instead entered into long-term contracts that ended up being more expensive. Customers were misinformed that leasing a product and making on-time payments could increase their credit score, but that was not the case. The states investigated potential bad-debt collection practices and Snap's potentially deceptive process for returning products and terminating leases.

Snap cooperated with the settling states' investigation and has agreed to the following business practice changes to address the states' concerns:

- **Advertising restrictions:** Snap has agreed not to use misleading slogans.
- **Disclosure and transparency:** Snap must ensure that customers are shown the full terms and cost.
- **Servicing protections:** Snap must repair/replace leased items; no false seizure threats.
- **Disclosures about credit ratings:** Snap is prohibited from misrepresenting that applying for a lease or utilizing Snap's LTO product will help customers increase their credit score.

- **Lease termination and surrender:** Snap is required to provide clear disclosure of the right to terminate a lease, and Snap is prohibited from interfering with that right.
- **Merchant training and Compliance:** Snap must meet certain initial and ongoing training requirements and provide annual compliance reports for three years.

“This settlement represents our continued dedication to protecting and securing relief for Nebraska Consumers who are misled by companies. We are pleased to settle alongside partnering states to bring relief to those financially harmed by Snap Finance and prevent future harm,” stated Attorney General Hilgers.

Affected Nebraska consumers will receive a transfer of ownership from Snap Finance and be absolved of obligations to make payments.

Nebraska and Iowa led the settlement, which is also joined by the negotiating committee states of Florida, Idaho, Kansas, Kentucky, and West Virginia, as well as the states of Arkansas, Georgia, Louisiana, Mississippi, Missouri, North Dakota, Oklahoma, Texas, Utah, and Wyoming.

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Court Filing Attached

Suzanne Gage
Director of Communications
Nebraska Attorney General's Office
Office: 402-471-2656
Mobile: 402-560-3518
Suzanne.gage@nebraska.gov