From Startup Lawyer to Strategic GC: SoFi’s Rob Lavet on Building Legal Infrastructure That Scales

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For general counsel, the job is not to eliminate risk. It is to understand it well enough to help the business decide which risks are worth taking.


Rob Lavet
General Counsel
SoFi

Rob Lavet’s career offers a practical case study in that kind of legal leadership. As General Counsel of SoFi, Lavet has helped guide one of the most closely watched fintech companies through startup formation, rapid growth, regulatory scrutiny, public-company readiness, and the acquisition of a national bank charter. Along the way, he has had to bridge two cultures that do not always speak the same language: the speed and ambition of a technology company and the discipline required in highly regulated financial services.

Lavet came to SoFi with deep experience in education finance and consumer lending. Before joining the company, he served as General Counsel of Sallie Mae, then returned to private practice, where he represented financial institutions and post-secondary institutions on regulatory, litigation, and transactional matters.

That background became especially valuable when Lavet joined SoFi in its earliest days — as employee No. 33 — and helped build the company’s legal and compliance infrastructure from the ground up. For chief legal officers and aspiring GCs, Lavet’s story offers several practical lessons:

- **Risk judgment is a core GC skill.** Lavet rejects the idea that legal should be the “Department of No.” In a fast-moving company, the GC’s role is to help leadership weigh legal and regulatory risk clearly, practically, and in context.
- **Compliance has to scale with the business.** In SoFi’s early years, Lavet focused on foundational training, lending rules, licensing questions, and the “alphabet soup” of consumer finance laws — the blocking and tackling that allowed the company to grow without losing sight

of regulatory exposure.

- **Legal leaders need business credibility.** Lavet's early contribution was not limited to legal infrastructure. His relationships and financial services experience helped SoFi secure its first warehouse line, which enabled the company to ramp up lending and later complete its first securitization.
- **A startup GC must be both builder and translator.** Lavet had to translate financial services regulation for technology-minded colleagues while preserving the creativity and speed that made SoFi competitive.
- **The risk appetite changes as the company grows.** What may be acceptable in the earliest startup stage looks different once a company becomes a market leader, attracts regulator attention, goes public, or becomes a bank.
- **The best GCs help the business move forward.** Lavet's career underscores a broader lesson for in-house counsel: Legal leadership is not about standing outside the business and issuing warnings. It is about being close enough to the strategy to help the company pursue opportunity responsibly.

In this Q&A, Lavet reflects on his path from Sallie Mae to SoFi, the legal and regulatory inflection points that shaped the company's growth, and why modern general counsel must be trusted business partners who can help leadership decide not only what the law allows, but what the business should do next.

Q&A with SoFi's Rob Lavet

ACC: What experiences earlier in your career helped prepare you for SoFi?

Lavet: Sallie Mae was actually a very innovative company. We did a number of large acquisitions, some of which worked out well. We bought several debt collection companies, and the company was growing at 15 percent a year until the financial crisis hit. Right before the financial crisis, we had tried to go private in a US$25 billion leveraged buyout with Christopher Flowers, JP Morgan, and Bank of America. Going through the financial crisis prepared me well.

After I left Sallie Mae, once that deal cratered and much of the management team left, I went to Powers Pyles Sutter & Verville, a mid-sized boutique law firm in Washington, DC. When I joined, I had no clients, so I had to go out and get business, service the business, and collect.

By my third year at the firm, I was one of the top three or four billing attorneys in terms of client origination. I had an interesting practice because I was doing both litigation and regulatory work in the education space. I represented some of the biggest banks in the country, but I also started developing a practice representing startups. I represented Upstart and SoFi when they first began, and I started doing a lot of work for SoFi in early 2012, before the company had really commenced operations.

Going from being a general counsel with a big team to being on my own and having to generate business without a book of business taught me to be self-sufficient. I did not have 30 attorneys doing the work for me; I had to do everything myself. That prepared me in many ways, although nothing could fully prepare you for working at SoFi in the early stages, when I was employee 33.

ACC: What did you see in SoFi at that point that made you willing to take the risk?

Lavet: I was fortunate because I was pretty financially secure, so I could take a risk that perhaps a younger person could not. Most startups fail, and I understood that.

I had never worked in a venture-backed company before, but SoFi had interesting investors and talent. Mike Cagney was CEO at the time, and Nino Fanlo, who had been treasurer of Wells Fargo and president of KKR Financial, was the CFO.

I was really the third executive to join the company. The opportunity to have more of an impact, to help shape the business strategy at a startup, really appealed to me. We also had very good venture investors backing SoFi. When I started, we were in the process of raising our first real equity round, an US$80 million Series B.

I joined and we closed that round. Then we were off to the races in 2013, when we secured our first warehouse line from Morgan Stanley. That happened mainly because I had represented Morgan Stanley, and they were comfortable with me. The company had not really been able to raise that capacity before I joined, so I think that was one of my big contributions. Once we got the first warehouse line, we could ramp up our lending, and then we did our first securitization. After that, all the Wall Street banks wanted to bank us, so we had plenty of funding.

ACC: You were employee 33 and the first lawyer inside the company. How did you decide what to build first? Was it legal infrastructure, compliance, governance, culture, trust — or all of the above?

Lavet: You really had to focus on all of those aspects, but I would single out compliance because we were at the stage where we were just starting lending.

I remember telling Mike Cagney that there were three ways we could do it. We could try to buy a bank, which would be difficult because, in that era, it was very hard to get a bank charter. We could partner with a bank, essentially a rent-a-bank model, which some of the early fintech lenders were using and which I thought had a lot of legal challenges. Or we could do the hard thing and go state by state, figure out how to lend as a state-licensed lender, or keep our rates under the caps where licenses would be required.

That is what we did. We went through it state by state.

At that point, we had one compliance person because we had a broker-dealer, and he was very good at the details of broker-dealer compliance with FINRA. But I needed to build capacity in the lending space. How were we going to lend? How were we going to handle state exams? How were we going to deal with the legal framework?

The beauty of SoFi's business at the time was that, as a startup, we were the first to refinance federal student loans into private loans. None of the big banks would do that because they were worried about the CFPB. The total addressable market was not big enough for the big banks, such as Citi or Bank of America, which had already exited student lending. They felt the refinancing market was not large enough and the legal risk was too great.

We were able to get a foothold in that market. It was greenfield, and that became our first major product success.

Another thing that appealed to me about SoFi was the opportunity to do more than legal work. I really started our business development function. I went to law firms and said, "We will give your associates or employees a 25-basis-point discount on a refinance loan if you promote it to your employees." We did referral deals with a lot of the big law firms, and then we went out to trade associations. That really got our business development function off the ground.

I also hired the first chief information security officer at SoFi and the first internal auditor. What appealed to me in the startup stage was the ability to have a bigger impact than simply being a legal advisor.

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ACC: As SoFi scaled, what was the hardest legal or compliance issue or transition for the company?

Lavet: I think it was when we got into the mortgage space. Mortgage was a complex and highly regulated market, and we learned quickly that scaling in that space required more specialized infrastructure, systems, and operational support than we initially had in place.

Another difficult transition was launching personal loans. In the early days of student loan refinancing, we had very pristine credit. We catered to professionals who had graduated and had good incomes, not necessarily a lot of assets, but good incomes. We had very low defaults in student loan refinancing.

Personal loans are different. They are fully dischargeable in bankruptcy; student loans are not. People also do not want to default on student loans because it could have consequences for their careers.

But you can price personal loans very differently from student loans. They have much higher return on assets and return on equity, and personal loans have become SoFi's leading business and the credit performance has been quite good.

Scaling the personal loan business as a non-bank was very difficult because we were dealing with 50 state laws, licenses, and interest rate caps. That was a pivotal transition for SoFi because personal loans became our biggest business and brought in a lot of customers, to whom we could then cross-sell other products.

ACC: Fintech and financial services are highly regulated. From the beginning, how did you make sure legal and compliance were not seen as the "Department of No" while still protecting the company from genuine regulatory risk?

Lavet: If you are a good general counsel, your role is to weigh legal risk. As a startup, we had a broad aperture. We could take a lot of risk.

I tried to be practical, but at the same time, there was blocking and tackling that had to be done. When I first came in, the marketing people did not even understand Fair Credit Reporting Act obligations and what disclosures needed to be included in direct mail.

So I designed training for all new executives. I walked them through the legal framework of our business: how we lend, who the regulators are, the rules around lending, and the alphabet soup of consumer finance laws. That was highly effective. I could sit down and train the executives and the team in person because the company was small enough then. You cannot do that now with more than 6,000 employees.

We also had a dichotomy in the company. We had some executives, like Nino Fanlo and me, who had been steeped in banking, and we had other people from Goldman Sachs. But we also hired a lot of people from the technology world who had no experience in a regulated industry.

There was tension between the two camps: the finance people and the technology people. We wanted the creativity of the technology people, but at the same time, we had to explain to them, "We are in a regulated business. This is what can go wrong, and this is what you need to understand."

What I am proud of is that, during the early stages of SoFi, we stayed away from major regulatory trouble. You want to avoid something that is reputationally harmful. At the same time, it only took a few years for SoFi to become the dominant player in student loan refinancing. At that point, your risk appetite changes because regulators are looking at you. Even though it was a relatively small segment, we had a dominant position in that business.

ACC: What was the experience of going public like, and what is the role of the general counsel in taking a company public?

Lavet: We went public in 2021. It was very challenging because there were two ways to go public at the time. You could do a traditional IPO, or you could do a de-SPAC transaction. We chose the de-SPAC.

We had three or four different sponsors pitch us, and we chose one. It was extremely challenging because of the company's cap table and board. We had investors such as SoftBank and Silver Lake on our board, and private equity investors had come in at different points. A traditional IPO was not going to be a great option for us.

I am proud of the fact that we were one of the companies that went public through a SPAC and actually met our projections. Companies used SPACs because you could project out future income in a way that you could not in a traditional IPO, so there was more flexibility. We are proud of how SoFi performed after the transaction and the discipline the company brought to operating as a public company.

You are seeing more companies stay private longer because they have more flexibility. They are not on what I call the quarterly earnings treadmill. In the early days of SoFi, we were also able to get liquidity for employees and executives because we did secondary transactions as we raised equity.

We raised one of the landmark rounds in fintech history, a US$1 billion round led by SoftBank. Then we did a secondary transaction where executives and employees could sell a percentage of their holdings. That was great because people were able to take some money off the table and get liquidity.

ACC: After going public, SoFi acquired a bank charter. What was that process like?

Lavet: The next pivotal event was becoming a bank and buying a small bank in California. That was probably the most challenging thing I have ever worked on in my career.

At that point, it was very difficult for a fintech to get a bank charter. You had to demonstrate to regulators that you had the compliance and risk infrastructure to support being a bank holding company.

It was also challenging for SoFi because we had a crypto business. We offered crypto products for customers to buy or sell, and at that time, regulators had a different view of crypto than they may have today. That made getting the bank charter challenging.

It took a long time. I helped recruit a former colleague from Sallie Mae, who had been president of Sallie Mae Bank, to shepherd the process. I worked directly with our CEO, Anthony Noto. We were on the phone almost every day with the Federal Reserve and other regulators.

We needed the bank charter because, to scale our loan originations, we really needed deposit funding. A secondary benefit is exportation of interest rates. Instead of dealing with 50 state laws, you export the law of the state where your bank is located, which for us is Utah. That makes it much easier from a legal standpoint. But the primary driver was deposit funding.

The SoFi Bank has grown fast since commencing operations in 2022. Having that bank charter gave us an advantage because we have been able to attract deposits, which we can use to fund our loans without depending on warehouse lines.

ACC: After everything you had helped SoFi accomplish, you retired. What brought you back?

Lavet: My predecessor left, and I had still been in touch with the company. I was still on the board of our bank, so I had stayed in the loop. Being a bank board director was really interesting and helped round out my experience. You look at things differently as a director.

The company asked whether I would be interested in coming back, and I thought about it. My wife still works in executive search, and retirement was hard in some ways because I had time and she was still working.

What appealed to me was that the company was going back into the crypto business. We were launching the first stablecoin issued by a national bank. We had also previously done two big acquisitions, Galileo and Technisys, which built out what we have now rebranded as SoFi Tech Solutions. That is a B2B business where we provide technology to fintechs and banks.

The combination of all that new activity got my juices flowing, and I decided to come back. It has been a lot of fun since I have been back. We have had a lot of challenges, but having retired gave me a different perspective.

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> Rob Lavet

ACC: What perspective did you gain from stepping away, serving on the bank board, and then returning as general counsel?

Lavet: I was not an independent director because it takes two years to become independent, but I was a board member of the bank. I got to see the strategy and participate as a director.

Retirement is challenging if you have been in a high-pressure job because you can go from 24/7 to nothingness in a day. You have to figure out what to do with all that time.

I was keeping busy. I was doing advisory work for several fintech startups. I was a fractional general counsel for a startup, and I was investing in some startups. I have also been nationally ranked in tennis, so I was playing senior tennis tournaments, taking up golf, and playing a lot of pickleball.

But there is only so much sports you can do as you get older. I missed the interaction with people.

Most of the legal team at SoFi was a team I had hired, and we have a really strong team. It was exciting to come back and lead the team again.

I have had to resist my instinct to micromanage. In this second go-round as GC at SoFi, I am trying to empower the team and be more strategic.

ACC: Succession planning is always a challenge for general counsel. What does good succession planning for the GC role look like?

Lavet: If you have good people in your legal department, you have to give them opportunities to do different things that may be outside their comfort zones.

For example, if someone is the securities attorney, maybe they also take on IP work. It is about giving people opportunities. I hate to pigeonhole people. I did this at Sallie Mae as well: Give people the opportunity to work on different projects so they can round out their experience.

You also have to get them exposure to executives and the board so they are interacting with them regularly. I have attorneys who work for me whom the board is very comfortable with.

At the same time, the last time we did a search, we had some really strong candidates, and I was surprised by how many people were interested in the role. I think a lot of people see SoFi as a very innovative financial services company. Our ambition is to become one of the top 10 financial institutions in the country, and we are well on our way.

ACC: You have worked with different CEOs, boards, and C-suite leaders. How should a CEO or board best use the general counsel? What does SoFi get right about the connection between the business and legal?

Lavet: I have been privileged to work for some great CEOs, and I think Anthony Noto is the best CEO I have worked for. He is incredibly smart and intense, and he gets his hands dirty. He gets into the products.

For the general counsel, the role is really to be a sounding board and someone the CEO trusts. I think that is why I was brought back. Management trusts me, and the board trusts me.

The CEO needs to know that you are going to handle the legal issues and that he or she does not have to get into the details of every lawsuit or issue because you will handle it appropriately.

SoFi, like Sallie Mae, wants the general counsel to fully understand all aspects of the business. I participate in management meetings like any other executive. One of the advantages I bring is that I really understand all aspects of the business.

Being able to weigh risk is probably the most important attribute a CEO is looking for in a GC. Not someone who simply says, “No, you cannot do that,” but someone who can say, “Here is how we can do this. Here is the risk. Here are the pros and cons. Here is what I would do.” Good CEOs do not want the GC to simply say, “No, we need to avoid the risk.”

Use ACC and other outside organizations to broaden your understanding

Rob Lavet

ACC: You have consistently made time for ACC, including speaking at events, taking on leadership roles, and participating in interviews like this. Why has ACC been important to you as a legal leader?

Lavet: I got involved in ACC when I joined Sallie Mae in 1992. At that time, the general counsel was not perceived the same way as today. In-house roles were sometimes looked at as the backwater of the legal industry.

I really enjoyed being able to meet peers and exchange ideas. That was the best thing about ACC. We also had an incredible board, with general counsel from top companies. If you encountered something, you could bounce it off them and ask, “How would you handle this?” or “Who do you like to use for this?”

I have encouraged all the attorneys on my teams to have a life outside the office and to network. Legal departments are pyramid structures. I am proud that at this point, I think around 10 people who have worked for me have become general counsel of other companies.

We do not have a lot of turnover at SoFi, and we did not have a lot of turnover at Sallie Mae. But sometimes turnover is good because you want your people to get opportunities. If it is an opportunity inside the company, great. But if it is an opportunity elsewhere where they can become a GC, that is great too.

ACC: What advice would you give to senior in-house counsel who want to have greater impact on their organizations and eventually move into a GC role?

Lavet: I think they should do two things.

First, volunteer to handle things outside their expertise. Say, “I would love to get involved in an M&A transaction,” even if you have not done that before. Learn it.

Second, use ACC and other outside organizations to broaden your understanding. ACC, for example, offers a mini-MBA. That is a good example of something an attorney can do to broaden their skill set so they are more attractive both internally and externally.

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