

December 15, 2015

Dear Member of Congress:

The undersigned civil rights, consumer, labor, faith, veterans, seniors, and community organizations, strongly urge you to oppose H.R. 4018, the “Consumer Protection and Choice Act.” This harmful bill would limit the Consumer Financial Protection Bureau’s (CFPB) ability to protect all consumers against high-cost payday, car title, and installment loans. In addition to delaying the Bureau’s rule-making for two years or longer, H.R. 4018 would allow the payday industry to avoid federal regulation altogether by pushing an industry-backed proposal based on a Florida law¹ that has proven ineffective at stopping the payday loan debt trap.

In 2016, the CFPB is expected to release important new rules that will help protect borrowers from abusive small dollar lending. The CFPB’s rule will require payday lenders to follow the example of other commercial lenders in implementing a number of critical, common sense safeguards that enjoy broad public support²—including a requirement that lenders fully consider a borrower’s ability to repay a loan without taking out a new loan or deferring other necessary living expenses.

More than 500³ civil rights leaders, women’s groups, affordable housing providers, faith-based organizations and consumer rights groups from nearly every state in the country, as well as over 100 Senators⁴ and House members⁵ support the CFPB’s effort to protect consumers from abusive payday lender practices.

Additionally, H.R. 4018 would allow abusive small-dollar lenders to go on doing business as usual if states enact laws similar to a Florida law, putting in place so-called ‘industry best practices.’ Instead of protecting consumers, H.R. 4018 and the industry-backed Florida law would do more harm to consumers by putting a stamp of approval on:

- **Triple digit interest rates:** Under Florida law, the typical payday loan costs about 300% annualized interest (APR)—an exorbitant rate of interest that wreaks havoc on households who are already struggling financially, and was illegal in all states until relatively recently;
- **Back-to-back lending without considering borrowers’ ability to repay** - Rollover bans and cooling off periods are insufficient to protect borrowers from long-term financial harm. In spite of the industry-backed Florida law, 88% of repeat loans were made before the borrower’s next paycheck;

¹ <http://stopthedebttrap.org/wp-content/uploads/2015/12/15.05.06-FL-Payday-2-Pager-Final-21.pdf>

² <http://www.responsiblelending.org/media-center/press-releases/Memo-CRL-Bipartisan-f-012215.pdf>

³ <http://ourfinancialsecurity.org/2014/10/afr-and-over-450-groups-urge-cfpb-to-stop-the-payday-loan-debt-trap/>

⁴ http://stopthedebttrap.org/wp-content/uploads/2015/06/sl_cfpb_payday_rulemaking_04June2015.pdf

⁵ http://stopthedebttrap.org/wp-content/uploads/2015/06/letter_directorcordray_22June2015.pdf

- **A long-term cycle of debt** - Limiting borrowers to one loan at a time has failed to provide relief in Florida, where 85% of payday loans are issued to borrowers with seven or more loans per year; and
- **\$280 million in fees drained from lower-income Floridians per year** as a result of repeat lending at abusive rates and \$3.6 billion in fees drained annually from consumers across the country.

As a result of these shortcomings, Florida civil rights consumer advocacy, faith, and asset building groups across the state⁶ have voiced their strong opposition to the adoption of the Florida law as a template for the CFPB or any other state to follow.

H.R. 4018 is not an effort to reform the payday loan market—it is an attempt to codify industry-backed practices that do little to protect consumers. Low-income consumers deserve strong protections and timely action.

The CFPB must be allowed to consider every possible way to stop the payday debt trap and take much-needed steps to protect consumers from abusive lending. We urge you to oppose H.R. 4018 and any other effort to block meaningful consumer protections for borrowers targeted by abusive payday, auto title, installment and other high-cost small dollar lenders.

Sincerely,

National Groups

Alliance for a Just Society

Allied Progress

Americans for Financial Reform

Center for Responsible Lending

Consumer Action

Consumer Federation of America

Consumers for Auto Reliability and Safety

Consumers Union

Corporation for Enterprise Development

Goodwill Industries International

Main Street Alliance

MyPath

NAACP

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<http://ourfinancialsecurity.org/wp-content/uploads/2013/07/Our-Florida-Letter.pdf>

National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
National Council of La Raza
National People's Action
National Rural Social Work Caucus
NETWORK, A National Catholic Social Justice Lobby
PICO National Network
Policy and Economic Research Council
Southern Poverty Law Center
U.S. PIRG

State & Local Groups

A Paul Kurkjian A Medic C (CA)
Action Advocacy (CT)
Action NC (NC)
Affordable Homeownership Foundation Inc. (FL)
AFSCME District Council 37 Municipal Employee Legal Services (NY)
AKPIRG (AK)
Alabama Appleseed (AL)
Alabama Arise (AL)
Arizona Community Action Association (AZ)
Alabama Faith Council (AL)
Arizona PIRG (AZ)
Arkansans Against Abusive Payday Lending (AR)
Baptist Temple (TX)
Birmingham Faith in Action (AL)
Brazos Valley Affordable Housing Corp. (TX)
Brighton Park Neighborhood Council (IL)
Bucks County Women's Advocacy Coalition (PA)
Building Alabama Reinvestment (AL)
California Reinvestment Coalition (CA)
CALPIRG (CA)

CASA of Oregon (OR)
Catalyst Miami (FL)
Catholic Community Services of Southern Arizona (AZ)
Center for Economic Integrity - New Mexico Office (NM)
Center for Economic Progress (IL)
Center for Financial and Human Dignity (NC)
Center for Housing and Community Studies (NC)
Center for Public Policy Priorities (TX)
Center for Transforming Lives (TX)
Central New York Citizens In Action, Inc. (NY)
CFORM/Covenant Community Development Corporation (MS)
Children's Action Alliance (AZ)
Christian Community Service Center (TX)
Christian Life Commission (TX)
Citizen Action (IL)
Citizen Potawatomi Community Development Corporation (OK)
City of Lansing Office of Financial Empowerment (MI)
CitySquare (TX)
Coalition for a Prosperous Mississippi (MS)
Coalition on Homelessness & Housing in Ohio (OH)
Colorado People's Alliance (CO)
Communities in Schools Western Nevada (NV)
Community Development Corporation of Marlboro County (SC)
Community Economic Development Association of Michigan (MI)
Community Financial, Inc. (AK)
Community Forum for Economic Justice (IN)
Community Legal Services in East Palo Alto (CA)
Connecticut Association for Human Services (CT)
Connecticut Legal Services, Inc. (CT)
ConnPIRG (CT)
Consumer Council of Mo. (MO)
Consumer Credit Counseling Service of Forsyth County (NC)
Consumer Federation of California (CA)

Consumers Council of Missouri (MO)
CoPIRG (CO)
Corporation for Ohio Appalachian Development (OH)
Credit Counseling Agencies of NC (NC)
DCRAC (DE)
Delaware Alliance for Community Advancement (DE)
Delaware Community Reinvestment (DE)
East LA Community Corporation (CA)
Empower Missouri (MO)
Empowering and Strengthening Ohio's People (OH)
Ensuring Opportunity Campaign to End Poverty in Contra Costa (CA)
Erie Benedictines for Peace (PA)
Express Advantage (WA)
Fair & Just for All (CA)
Faith Voices for Jefferson City (MO)
Fig Loans LLC (TX)
Financial Pathways of the Piedmont (NC)
Financial Stability Partnership of the River Cities (WV)
First Baptist Church, San Marcos (TX)
Florida Alliance for Consumer Protection (FL)
Florida PIRG (FL)
Florida Prosperity Partnership (FL)
Foundation Communities (TX)
Four Bands Community Fund, Inc. (SD)
Fund 17 (LA)
Funeral Consumers of Tampa Bay (FL)
Georgia PIRG (GA)
Georgia Rural Urban Summit (GA)
Georgia Watch (GA)
Global Green (MI)
Good Work (NC)
Gowen Consulting (AL)
Greater Wards Corner Area Business Association (VA)

Greensboro Housing Coalition (NC)
GRO -- Grass Roots Organizing (MO)
Habitat for Humanity of North Carolina (NC)
Harlingen Community Development Corp. (TX)
Haven Neighborhood Services (CA)
Hawaii Alliance for Community Based Economic Development (HI)
Helping Hands Ministry of Belton (TX)
Henderson County Habitat for Humanity (NC)
Housing Alliance of Pennsylvania (PA)
Housing Research & Advocacy Center
Housing Research & Advocacy Center (OH)
Idaho Community Action Network (ID)
Illinois Asset Building Group (IL)
Illinois PIRG (IL)
IMPACCTBROOKLYN (NY)
Indiana Assets & Opportunity Network (IN)
Indiana Association for Community Economic Development (IN)
Indiana Institute for Working Families (IN)
Innovative Changes (OR)
InSight Fund (NC)
Iowa Citizens for Community Improvement (IA)
Iowa PIRG (IA)
Jacksonville Area Legal Aid, Inc. (FL)
Jesuit Social Research Institute (LA)
Kentucky Equal Justice Center (KY)
Kingdom Community Development Corp. (NC)
Land of the Sky UCC (NC)
Law Foundation of Silicon Valley (CA)
Legal Aid Justice Center (VA)
Legal Assistance Resource Center of Connecticut, Inc. (CT)
Louisiana Community Reinvestment Coalition (LA)
Lubbock Housing Finance Corporation
Maine Center for Economic Policy (ME)

Maine People's Alliance (ME)
Mary's House Catholic Worker (AL)
Maryland CASH Campaign (MD)
Maryland Center on Economic Policy (MD)
Maryland Consumer Rights Coalition (MD)
Maryland PIRG (MD)
MASSPIRG (MA)
Metropolitan Milwaukee Fair Housing Council (MI)
Metropolitan St. Louis Equal Housing and Opportunity Council (MO)
Midland College Business and Economic Development Center (TX)
Mission Asset Fund (CA)
Mississippi Center for Justice (MS)
Missouri Faith Voices (MO)
MLK Sr Community Resources Collaborative (GA)
MOAA NC Council of Chapters (NC)
Monsignor John Egan Campaign for Payday Loan Reform (IL)
Montana Organizing Project, a project of Alliance for a Just Society (MT)
Montbello Housing and Development Corporation (CA)
MOPIRG (MO)
Mountain State Justice (WV)
Mutual Housing California (CA)
National Advocacy Center of the Sisters of the Good Shepherd (MD)
National Association of Social Workers, West Virginia Chapter (WV)
Navy-Marine Corps Relief Society - Camp Lejeune
NC Council of Churches (NC)
NC NAACP (NC)
NCPIRG (NC)
NC State AFL-CIO (NC)
Nebraska Appleseed (NE)
Neighborhood Housing Services of Greater Cleveland (OH)
New Economy Project (NY)
New Jersey Citizen Action (NJ)
New Jersey Tenants Organization (NJ)

New Level Community Development Corp (TN)
NHPIRG (NH)
NJPIRG (NJ)
NMPIRG (NM)
North Carolina Assets Alliance (NC)
North Carolina Consumers Council (NC)
North Carolina Development Initiative (NC)
North Carolina Housing Coalition (NC)
North Carolina Justice Center (NC)
North Dakota Economic Security and Prosperity Alliance (NDESPA)
Northwest Indiana Reinvestment Alliance (IN)
Nuestra Casa de East Palo Alto (CA)
NYPIRG (NY)
Ohio CDC Association (OH)
Ohio PIRG (OH)
Ohio Poverty Law Center (OH)
Oklahoma Policy Institute (OK)
OneAmerica (WA)
Oregon Consumer League (OR)
Organize Now (FL)
OSPIRG (OR)
Partnership for African American Churches (WV)
Pathfinder services, Inc. (IN)
Payee Plus (OH)
Peninsula Family Service (CA)
PennPIRG (PA)
Pennsylvania Council of Churches (PA)
PIRGIM (MI)
Pittsburgh Community Reinvestment Group (PA)
PLAN Action Fund (NV)
Policy Matters Ohio (OH)
Prepare + Prosper (MN)
Project IRENE (IL)

Public Justice Center (MD)
RAISE Texas (TX)
Reinvestment Partners (NC)
Renaissance Entrepreneurship Center (CA)
Respond Now (IL)
RIPIRG (RI)
Rise Up Georgia (GA)
San Mateo County Central Labor Council (CA)
San Mateo County Union Community Alliance (CA)
SC Appleseed (SC)
SEIU Healthcare 1199W (WA)
Shirley Worthington Consulting LLC (AL)
Snohomish County Asset Building Coalition (WA)
Society of Saint Vincent de Paul, Philadelphia Archdiocese (PA)
South Main Baptist Church, Houston (TX)
Southwest Center for Economic Integrity (AZ)
Statewide Poverty Action Network (WA)
Step Up Savannah (GA)
Sunflower Community Action (KS)
T. B. Maston Foundation for Christian Ethics (TX)
Tennessee Citizen Action (TN)
Texas Appleseed (TX)
Texas Baptist Christian Life Commission (TX)
Texas Baptists Committed (TX)
TexPIRG (TX)
The Bell Policy Center (CO)
The Collaborative of NC (NC)
The Financial Clinic (NY)
The Institute (NC)
The Midas Collaborative (MA)
The Women's Resource of Greater Houston (TX)
Tuscaloosa Citizens Against Predatory Practices (AL)
United Valley Interfaith Project (NH)

United Way California Capital Region (CA)
United Way of Erie Co (PA)
United Way of Greater Houston (TX)
United Way of Southern Cameron County (TX)
United Way Silicon Valley (CA)
Urban Affairs Coalition (PA)
Urban League of PBC (FL)
Upper Yadkin Valley Habitat (NC)
Virginia Citizens Consumer Council (VA)
Virginia Organizing (VA)
Virginia Poverty Law Center (VA)
VPIRG (VT)
Washington Low income Housing Alliance (WA)
WashPIRG (WA)
Water Street Dance Co. (IL)
West Virginia Center on Budget and Policy (WV)
Westchester Residential Opportunities Inc (NY)
Westside Health Authority (IL)
White Wing Educational Community Development, Inc. (NY)
WISPIRG (WI)
Woodstock Institute (IL)
Working Partnerships USA (CA)
WV Citizen Action Group (WV)
Yolo Mutual Housing Association (CA)
YWCA of Central Alabama (AL)