March 12, 2018

Dear Members of Congress,

The undersigned organizations urge your office to oppose H.J. Res. 122. This measure would repeal the Consumer Financial Protection Bureau’s (Consumer Bureau) payday rule, which curbs the ability of payday and car-title lenders to trap consumers in an endless cycle of 300% interest debt. It is imperative that Congress oppose any effort to repeal or block the rule’s protections against the payday lending debt trap, which often result in financial ruin.

At its core, the rule is based on the common-sense principle that lenders have a responsibility to determine whether a borrower has the ability to repay their loan without getting stuck in a cycle of unaffordable debt. This principle is particularly important for these high-cost loans where lenders require the power to seize a borrower’s bank account or car. An ability-to-repay requirement is a sensible and sound approach and a principle that, according to a recent poll of likely voters, more than 70% of Republicans, Independents, and Democrats support.

This rule is the culmination of over five years of stakeholder input and extensive research showing clear evidence of the harm caused by making these loans without regard to ability-to-repay. A large body of research has demonstrated that payday and car title loans are structured to create a long-term debt trap that drains consumers’ bank accounts and causes significant financial harm, including delinquency and default, overdraft and non-sufficient funds fees, increased difficulty paying mortgages, rent, and other bills, loss of checking accounts, and bankruptcy. The lack of underwriting for ability-to-repay, high fees, and access to a borrower’s checking account or car title enables lenders to repeatedly flip borrowers from one unaffordable loan to another. A large portion of borrowers eventually default, but often not before paying hundreds or even thousands of dollars in fees.

This is why the payday rule is necessary—to help ensure that lenders cannot trap borrowers—who are typically already significantly financially distressed—in a debt trap that leaves them only worse off. Repealing this rule would leave veterans, seniors, and communities of color at particular risk, because
they are often targeted by payday lenders who trap them in unaffordable high-cost loans. Additionally, the CRA measure would prevent the CFPB from issuing a similar rule in the future.

While 15 states plus the District of Columbia cap state interest rates at 36% or less, which is the most effective protection against the payday lending debt trap, the Consumer Bureau’s rule provides critical protection in the 35 states that still permit these unaffordable debt trap loans.

H.J. Res. 122, by repealing the Consumer Bureau’s common-sense rule, would give payday lenders a free pass to continue exploiting financially vulnerable Americans. We urge you to stand against predatory lenders by voting against this measure.

For more information, please contact Scott Astrada at the Center for Responsible Lending, scott.astrada@responsiblelending.org.

Sincerely,

National
American Federation of State, County, and Municipal Workers (AFSCME)
Americans for Financial Reform
Allied Progress
Asset Building Strategies
Bend the Arc Jewish Action

Consumer Action
Communications Workers of America
Consumers Union
Consumer Federation of America
Daily Kos
Demos
Ecumenical Poverty Institute
EMC Strategies
Franciscan Action Network
International Union, United Automobile, Aerospace and Agricultural Implementation Workers of America (UAW)

Interfaith Center for Corporate Responsibility

The Leadership Conference on Civil and Human Rights

Local Initiatives Support Corporation (LISC)

Mi Familia Vota

NAACP

National Advocacy Center of the Sisters of the Good Shepherd

National Association of Consumer Advocates

National Association of Previous Prisoners, Inc.

National Association of Social Workers

National CAPACD (Coalition for Asian Pacific American Community Development)

National Community Investment Fund

National Community Reinvestment Coalition (NCRC)

National Consumer Law Center (on behalf of its low-income clients)

National Fair Housing Alliance (NFHA)

National Partnership for Women & Families

People's Action Institute

Prosperity Now

Provincial Council Clerics of St. Viator

Public Citizen

Public Justice

The Rootstrikers Project at Demand Progress

Sargent Shriver National Center on Poverty Law

Sisters of Mercy South Central Community

Southern Poverty Law Center

TURN-The Utility Reform Network

UnidosUS
Union for Reform Judaism
US PIRG
Woodbury Fund
YWCA USA
9to5, National Association of Working Women

Alaska
ACLU of Alaska
Alaska Community Development Corporation
AK Children’s Trust
AKPIRG
Northern Justice Project

Arkansas
Arkansans Against Abusive Payday Lending

Arizona
Arizona Coalition to End Sexual and Domestic Violence
Arizona Community Action Association
Arizona PIRG (Public Interest Research Group)
A New Leaf-Mesa Community Action Network
Campesinos Sin Fronteras
Center for Economic Integrity
Gila County Community Services Division
Protecting Arizona's Family Coalition
Southern Arizona Grandparent Association
St. Vincent DePaul Society, Diocese of Tucson
United Way of Tucson and Southern Arizona
California
California Reinvestment Coalition

Colorado
The Bell Policy Center
Colorado Center on Law and Policy
Colorado Public Interest Research Group (CoPIRG)
Energy Outreach Colorado
The Interfaith Alliance of Colorado
Lutheran Advocacy Ministry Colorado

Connecticut
Connecticut Association for Human Services
Connecticut Legal Services Inc.

Georgia
Georgia Watch
Green Forest Community Development Corporation (GFCDC)
Urban Asset Builders

Florida
Florida Alliance for Consumer Protection
Jacksonville Area Legal Aid, Inc.

Idaho
Idaho Community Action Network
Illinois
Active Alliance Counseling
Bailey's Café
BENEVOLENT
BIG: Blacks in Green
Center for Changing Lives
Center for Economic Progress
Chicago City Treasurer's Office
Community Interventions Institute, Inc.
Earthmover Credit Unions
Heartland Alliance
Heartland Human Care Services
Health & Medicine Policy Research Group
Housing Action Illinois
IFF
Illinois Building Group
Illinois PIRG
Karen Chan Financial Education & Consulting, LLC
LISC Chicago
Naviance Solutions
Northwest Side Housing Alliance
Peterson Healthcare Consulting, Inc.
Project IRENE
Powerpac
Southwest Organizing Project
Working Families
Woodstock Institute
YMCA Metropolitan Chicago
Indiana

Advantage Housing, Inc.
Brightpoint
Continuum Care Network, NWI Inc.
Cynthia R. Bauer, CPA, CGMA
Edna Martin Christian Center
Fair Housing Center of Central Indiana
Families First Indiana, Inc.
God's Helping Hand
Habitat for Humanity of Indiana
Habitat for Humanity of Northeast Indiana
Homestead CS
Hoosier Action
Indiana Assets & Opportunity Network
Indiana Association of United Ways
Indiana Catholic Conference
Indiana Friends Committee on Legislation
Indiana Institute of Working Families
Indiana Kentucky Synod of the ECLA
Indianapolis Neighborhood Resource Center
Irvington Development Organization
John Boner Neighborhood Centers
KW Consultants LLC
Legacy Foundation, Inc.
Mary Miles Consulting
The Military/Veterans Coalition of Indiana
Neighborhood Vitalization Corporation
Northwest Indiana Reinvestment Alliance
OneAmerica
Prosperity Indiana
Providence Housing Corporation
Reserve Officers Association, Department of Indiana

Thrive Alliance
TRI-CAD

**Kansas**
Labette County Assistance Center

**Kentucky**
Kentucky Center for Economic Policy
Kentucky Equal Justice Center

**Maine**
Maine Center for Economic Policy
Maine People’s Alliance

**Massachusetts**
The Midas Collaborative

**Maryland**
Maryland Consumer Rights Coalition
Public Justice Center

**Michigan**
Community Economic Development Association of Michigan
Michigan Poverty Law Program
Minnesota
Exodus Lending

Mississippi
Covenant Faith Outreach Ministries

Missouri
Consumers Council of Missouri

Montana
AFSCME Montana
Agadas Integrated Wellness
Angela’s Piazza
Billings First Congregational Church UCC
Billings Ground Swell
Bishop, Heenan & Davies Law Firm
Bitter Roo RC & D
Danielle Egnew Spiritual Advisory
Deering For Montana
Emmaus Campus Ministry
Fit Body Boot Camp Billings
Greater Yellowstone Central Labor Council
Har Shalom Congregation
Harvest House Inc.
Homeward
IBEW 233
IBEW 768
MEA-MFT
Montana Fair Housing
Montana Organizing Project
Montana Trial Lawyers
Morrison, Sherwood, Wilson & Deola PPLP
MT-NWY Conference UCC
Neighborhood Works Montana
Royal Realty Co.
Rural Dynamic Inc.
Southwestern Montana Central Labor Council
Spa, Reflexology & Acupuncture
St. Paul Lutheran Church
Swift Building Lofts
University Congregational Church, UCC
Yellowstone County Democratic Central Committee

**Nebraska**

Voices for Children in Nebraska

**North Carolina**

Action NC
Alexander County Habitat for Humanity
Asheville Habitat for Humanity
Atkinson Collaborative Enterprise
Bonnie Wright and Associates
BPFNA-Bautistas por la Paz
CCCS of Greater Greensboro
CCCS of WNC, Inc. DBA OnTrack Financial Education & Counseling
Cedar Grove Institute for Sustainable Communities
Centre for Homeownership and Economic Development
Chatham Habitat for Humanity
The Collaborative of NC
Community Empowerment Fund
Community Management Corporation
Ecusta Credit Union
Elizabeth City Habitat for Humanity
Episcopal Diocese of North Carolina
Fayetteville Area Habitat for Humanity
Financial Pathways of the Piedmont
Habitat for Humanity of Catawba Valley
Habitat for Humanity of Forsyth County
Habitat for Humanity of Greater Greensboro
Habitat for Humanity of Lincoln County, NC
Habitat for Humanity of North Carolina, Inc.
Henderson County Habitat for Humanity
Mitchell-Yancey Habitat for Humanity
Navy-Marine Corps Society at Camp Lejeune
NC AFL-CIO
NC A. Philip Randolph Educational Fund, Inc.
NC A. Philip Randolph Institute
NC Council of Churches
NC National Organization for Women
North Carolina Assets Alliance
North Carolina Coalition on Aging
North Carolina Community Development Initiative
North Carolina Consumers Council
North Carolina Housing Coalition
North Carolina Justice Center
North Carolina Rural Center
Person County Habitat for Humanity
Pisgah Legal Services
Salisbury CDC
SiX Action
Superior Consumer Advocacy Network

Working America NC

**North Dakota**
Community Action Partnership of North Dakota
Dakota Prairie Community Action Agency
Native American Development Center
North Dakota Chapter of the National Association of Social Workers
North Dakota Economic Security and Prosperity Alliance
North Dakota Women's Network
Office of Senator Tim Matherm
Sacred Pipe Resource Center

**New Jersey**
La Case de Don Pedro
New Jersey Citizen Action
NJ NAACP
Sisters of St. Dominic of Caldwell NJ

**New Mexico**
Interfaith Worker Justice-New Mexico
Lutheran Advocacy Ministry-New Mexico
The New Mexico Center on Law and Policy
New Mexico Fair Lending Coalition
New Mexico Voices for Children
Tierra del Sol Housing Corporation

**New York**
Buffalo Urban League
Empire Justice Center
Hebrew Free Loan Society
Long Island Housing Services, Inc.
Mobilization for Justice, Inc.
NYLAG
New Yorkers for Responsible Lending
Tri-State Coalition for Responsible Investment

**Ohio**
Policy Matters Ohio

**Oklahoma**
Cathedral of Hope UCC
Church of the Open Arms UCC
Fellowship Congregational UCC
Oscar Romero Catholic Worker House
St. Charles Borromeo Catholic Church
Voices Organized in Civic Engagement (VOICE) Action Fund

**Oregon**
Archdiocese of Portland
CASA of Oregon
Rhode Island
Rhode Island Council of Churches

South Carolina
SC Appleseed

Tennessee
Tennessee Citizen Action

Texas
BCL of Texas
City Square
First Baptist Church of Crowell
Hispanic Baptist Convention of Texas
Mosaic Fellowship
Texas Fair Lending Alliance
United Way of Greater Houston

Virginia
Housing Opportunities Made Equal of Virginia
Virginia Citizens Consumer Council
Virginia Organizing
Virginia Poverty Law Center

Wisconsin
WISDOM Inc.
WISPIRG
US Territories

Congregation of Our Lady of the Good Shepherd, US Provinces