Payday and Installment Loans

**HOT TOPICS**
- Predatory Rent-a-Bank Lending
- CFPB Gutts Curbs on Unaffordable 400% APR Payday Loans, July 7, 2020
- Early Wage Access: A Good Option for Workers or a Fintech Payday Loan?
- State Rate Caps for $500 and $2,000 Loans: 1-pager, Report
- What States Can Do to Help Consumers: High Cost Loans
- After Payday Loans: How do Consumers Fare When States Restrict High-Cost Loans?
- Why 36%? The History, Use, and Purpose of the 36% Interest Rate Cap Report

Marketed as a way to help consumers pay the bills until their paychecks arrive, payday loans trap consumers in terrible cycles of debt, dragging their families more deeply into financial crisis. In return for a loan, the consumer provides the lender a post-dated check for the amount borrowed plus a fee. The check is held for 1 to 4 weeks (usually until the customer's payday) at which time the customer redeems the check by paying the face amount or allowing the check to be cashed. Payday lenders encourage their customers to get on a debt treadmill by refinancing one payday loan with another. The fees for payday loans are exorbitant with effective interest rates that can top 1,000%.

The repeal of usury laws has allowed payday loans and other predatory lending to flourish.

**Reports**
- Predatory Installment Lending in the States: 2020, February 2020
- A Larger and Longer Debt Trap?: Analysis of States’ APR Caps for a $10,000 Five-Year Installment Loan, October 2018 Press Release
- Predatory Installment Lending in 2017: States Battle to Restrain High-Cost Loans, Aug. 2017

**Policy Briefs & Fact Sheets**
- Brief: Early Wage Access: A Good Option for Workers or a Fintech Payday Loan?, March 2020
- Fact Sheet: State Rate Caps for $500 and $2,000 Loans, February 2020 (1-pager)
- Brief: Payday Lenders Plan to Evade California’s New Interest Rate Cap Law Through Rent-A-Bank Partnership, October 2019
- Fact Sheet: What State Can Do to Help Consumers: High-Cost Loans, July 2019
- Fact Sheets: APR rates in Southern States, May 2019
- Fact Sheet: State Annual Percentage Rate (APR) Caps for $500, $2,000, and $10,000 Installment Loans, March 2019
- Fact Sheet: Stop the Debt Trap: Preserve the Consumer Financial Protection Bureau’s Payday Loan Rule, March 2019
- Brief: OCC’s Short-Term, Small Dollar Lending Bulletin: Vague Guidelines Leave the Devil to the Details, July 2018

**Comments and Testimony**
- Comments to Treasury's CDFI Fund on small dollar loan program, Sept. 11, 2020
Group comments to the FTC re: Insufficient Order re: Rent-to-Own Market Swaps and Suppressing Competition, March 25, 2020

Group comments to the CFPB opposing Changes in Rules on Payday, Title and Certain Installment Loans and rescission of Ability-to-Repay Rule, May 15, 2019, Press Release; Shorter comments of 429 organizations in 46 states

Coalition and longer comments to FDIC on small dollar loans, Jan. 22, 2019

Group comments to the CFPB opposing Changes in Rules on Payday, Title and Certain Installment Loans and rescission of Ability-to-Repay Rule, May 15, 2019, Press Release; Shorter comments of 429 organizations in 46 states

Coalition comments to the CFPB Opposing its Proposal to Delay Compliance Date for Rule Governing Payday, Vehicle, Title, and Certain High-Cost Installment Loans, March 18, 2019

Longer coalition comments

Group comments to the FDIC re: Request for Information re: Small-Dollar Lending, Jan. 22, 2019

Shorter comments of 429 organizations in 46 states

Coalition comments to National Credit Union Administration (NCUA) re: Payday Alternative Loans, Proposed Rule, 12 CFR Part 701, RIN 3133-AE84, Aug. 3, 2018

Letters

Group letter to CFPB Director Kraninger urging suspension of finalizing the payday loan rule pending a full investigation of whether the rolling back of the 2017 rule’s mandatory underwriting requirements was improper, May 1, 2020

Coalition letter to federal banking regulators urging to prevent high-cost deposit advance loans, May 14, 2018

Open letter to banks: Don’t Make Debt Trap Payday Loans, October 6, 2017

Press Releases

CFPB Guts Curbs on Unaffordable 400% APR Payday Loans, July 7, 2020

FDIC to Repeal 36% Rate Cap and Bank Payday Loan Guidance, but Banks Should Not Take the Bait, May 20, 2002


Consumer and Civil Rights Groups Strongly Oppose FDIC Rent-a-Bank Payday Proposal that Would Sidestep State Interest Rate Caps, Feb. 5, 2020

Consumer and Civil Rights Groups Strongly Urge Federal Banking Regulator (OCC) to Stop Rent-a-Bank Payday Loan Schemes, Jan 22, 2020

FDIC/OCC Proposal Would Encourage Rent-a-Bank High-Cost Predatory Lending, November 19, 2019

Advocates Applaud Bill to Cap Interest Rates at 36%, Nov. 12, 2019

Credit Union Regulator Expands High-Cost Loan Program Without Needed Safeguards, Say Consumer Groups, Sept. 19, 2019

Court Decision Signals End of Faux Tribal Payday Lending, April 24, 2019

Consumer Financial Protection Bureau Guts Rule to Rein in High-Cost Short-Term Loans, Feb. 6, 2019

Civil Rights and Consumer Groups Implore the FDIC to Say No to Bank Payday Loans and Rent-a-Bank Payday Lending, January 23, 2019

Court to CFPB: Payday Lending Rule Compliance Date Stays Intact, June 12, 2018

Consumer Watchdog Mulvaney Colludes with Payday Lenders to Delay Payday Rule, June 1, 2018

With New OCC Guidance, Banks Must Ensure Small-Dollar Loans are Affordable, May 23, 2018
• Consumer Financial Protection Bureau Drops Lawsuit Over 950% APR Loans, Jan. 18, 2018
• CFPB Payday Rule Survives Legislative Threat, Remains Intact for Now, May 17, 2018
• Consumer Advocates Urge U.S. House Members to Halt Bank Payday Loan Legislation in Committee Markup, March 21, 2018
• U.S. House Votes to Weaken State Limits on High-Cost Loans, Feb. 14, 2018
• Consumer Financial Protection Bureau Drops Lawsuit Over 950% APR Loans, Jan. 18, 2018
• Congress Moves to Protect Predatory Payday Lenders’ Unaffordable 300% Loans and Block Consumer Bureau’s Ability-to-Pay Rule, Dec. 1, 2017
• Consumer Watchdog Curbs 300% Unaffordable Payday Loans, Oct. 10, 2017

Litigation

• Amicus brief: Community Financial Services Assoc. of America and Consumer Services Alliance of Texas v. CFPB and J. Mulvaney
  NCLC joined AFR, CRL and PC seeking to oppose the joint motion of the CFPB and the payday industry representatives to stay both the litigation and the implementation date of the rule.

Payday & Installment Policy Analysis Archive >>>