

Payday and Installment Loans

HOT TOPICS

- **Predatory Rent-a-Bank Lending**
- CFPB Guts 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
- Brief: NCLC & CRL analysis of Indiana SB 613, 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
- Brief: After Payday Loans: How do Consumers Fare When States Restrict High-Cost Loans? Oct. 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 Short comments signed by 88 groups.
- 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, 2020
- Civil Rights and Consumer Groups Condemn COVID-19 "Emergency" Regulatory Guidance That Allows Banks to Make Payday Loans, March 26, 2020
- 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 >>>