



August 26, 2016

The Honorable Representative Joyce Beatty  
United States House of Representatives  
133 Cannon House Office Building  
Washington, DC 20515

Dear Rep. Beatty:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

Payday loans have drained hundreds of millions of dollars from the pockets of your constituents over the past decade and trapped them in a desperate cycle of debt. We thought we scored a victory for Ohio consumers back in 2008 when the General Assembly passed a statute reducing annual interest rates from 391 percent to 28 percent – a law that was subsequently ratified by two-thirds of Ohio voters in a referendum campaign.

Unfortunately, soon after the new rate cap took effect, we watched payday lenders use deceitful ways to subvert the law by operating under the Mortgage Loan Act or falsely posing as Consumer Service Organizations. More recently, lenders have devised innovative new ways to gouge people, like car title loans and longer-term installment loans.

Sadly, the payday loan industry has grown even larger and more rapacious than it was when the state legislature acted. The Center for Responsible Lending found that payday lenders drained nearly \$503 million from desperate Ohioans in 2015 – more than twice the \$239 million in fees they collected back in 2008, with some lenders charging rates as high as 718 percent!

The CFPB's draft rules issued June 2 are built on a solid foundation – they would require lenders make sure their customers can actually pay back a loan without going broke or taking out another loan. However, there are several weaknesses in the rules that must be fixed in order to prevent more Ohioans falling prey to the payday loan debt trap:

- The “business as usual loophole” would allow lenders to claim that their ability to collect payment from a customer in the past means they have the ability to repay future loans. This obvious weakness will permit lenders to continue abusing previous borrowers who had no choice but to repay since lenders seize payment directly from customers’ bank accounts on payday.



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- The ability to repay standards would only kick in after the borrower has already taken out six short-term loans. Even one unaffordable loan can do serious financial harm to borrowers who are struggling to make ends meet – six abusive loans with usurious interest rates is six too many. The ability to repay assessment must apply to every loan.
- The required waiting period between loans has been cut to 30 days, versus 60 days in the preliminary proposal the CFPB released last year. This waiting period is not sufficient to prevent lenders from flipping short-term loans and continuing to string borrowers along in a cycle of borrowing and refinancing.
- The scope of the rules should be broadened to include all loans where the lender has access to the borrower's checking account or car title, regardless of the time it is taken, or has the right to garnish wages, and all loans secured by personal property.

Last fall, more than 100 organizations representing millions of Ohio voters sent a letter to Director Cordray urging a strong rule to prevent the payday and car title loan debt trap.\* Our message focused in particular on stronger provisions needed for loans structured as longer-term loans as these now saturate the Ohio market today.

Your support for addressing these loopholes will fortify the CFPB's ability to accomplish its mission of protecting consumers against predatory financial practices and will finally carry out Ohio voters' desire to rein in this abusive industry. Please add your name to Rep. Waters' letter by contacting Mitria Wilson in Rep. Waters' office at [mitria.wilson@mail.house.gov](mailto:mitria.wilson@mail.house.gov) or 202-225-0710.

I am confident that with your support the CFPB can finally give Ohio voters what they asked for back in 2008 – safer, more affordable loan products.

Sincerely,



Bill Faith  
Executive Director

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\* Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Steve Chabot  
United States House of Representatives  
2371 Rayburn House Office Building  
Washington, DC 20515

Dear Rep. Chabot:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

Payday loans have drained hundreds of millions of dollars from the pockets of your constituents over the past decade and trapped them in a desperate cycle of debt. We thought we scored a victory for Ohio consumers back in 2008 when the General Assembly passed a statute reducing annual interest rates from 391 percent to 28 percent – a law that was subsequently ratified by two-thirds of Ohio voters in a referendum campaign.

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Sincerely,



Bill Faith  
Executive Director

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August 26, 2016

The Honorable Representative Warren Davidson  
United States House of Representatives  
1011 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Davidson:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

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Sincerely,



Bill Faith  
Executive Director

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August 26, 2016

The Honorable Representative Marcia Fudge  
United States House of Representatives  
2344 Rayburn House Office Building  
Washington, DC 20515

Dear Rep. Fudge:

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Sincerely,



Bill Faith  
Executive Director

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<sup>§</sup> Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Bob Gibbs  
United States House of Representatives  
329 Cannon House Office Building  
Washington, DC 20515

Dear Rep. Gibbs:

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Bill Faith  
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August 26, 2016

The Honorable Representative Bill Johnson  
United States House of Representatives  
1710 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Johnson:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

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Sincerely,



Bill Faith  
Executive Director

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<sup>††</sup> Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Dave Joyce  
United States House of Representatives  
1124 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Joyce:

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August 26, 2016

The Honorable Representative Marcy Kaptur  
United States House of Representatives  
2186 Rayburn House Office Building  
Washington, DC 20515

Dear Rep. Kaptur:

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Sincerely,



Bill Faith  
Executive Director

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<sup>\*\*\*</sup> Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Jim Renacci  
United States House of Representatives  
328 Cannon House Office Building  
Washington, DC 20515

Dear Rep. Renacci:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

Payday loans have drained hundreds of millions of dollars from the pockets of your constituents over the past decade and trapped them in a desperate cycle of debt. We thought we scored a victory for Ohio consumers back in 2008 when the General Assembly passed a statute reducing annual interest rates from 391 percent to 28 percent – a law that was subsequently ratified by two-thirds of Ohio voters in a referendum campaign.

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Sincerely,



Bill Faith  
Executive Director

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August 26, 2016

The Honorable Representative Tim Ryan  
United States House of Representatives  
1421 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Ryan:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

Payday loans have drained hundreds of millions of dollars from the pockets of your constituents over the past decade and trapped them in a desperate cycle of debt. We thought we scored a victory for Ohio consumers back in 2008 when the General Assembly passed a statute reducing annual interest rates from 391 percent to 28 percent – a law that was subsequently ratified by two-thirds of Ohio voters in a referendum campaign.

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Sincerely,



Bill Faith  
Executive Director

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August 26, 2016

The Honorable Representative Steve Stivers  
United States House of Representatives  
1022 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Stivers:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

Payday loans have drained hundreds of millions of dollars from the pockets of your constituents over the past decade and trapped them in a desperate cycle of debt. We thought we scored a victory for Ohio consumers back in 2008 when the General Assembly passed a statute reducing annual interest rates from 391 percent to 28 percent – a law that was subsequently ratified by two-thirds of Ohio voters in a referendum campaign.

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Bill Faith  
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<sup>\$\$\$</sup> Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Pat Tiberi  
United States House of Representatives  
1203 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Tiberi:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

Payday loans have drained hundreds of millions of dollars from the pockets of your constituents over the past decade and trapped them in a desperate cycle of debt. We thought we scored a victory for Ohio consumers back in 2008 when the General Assembly passed a statute reducing annual interest rates from 391 percent to 28 percent – a law that was subsequently ratified by two-thirds of Ohio voters in a referendum campaign.

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\*\*\*\* Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Mike Turner  
United States House of Representatives  
2239 Rayburn House Office Building  
Washington, DC 20515

Dear Rep. Turner:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

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<sup>††††</sup> Letter from 100+ Ohio groups to Director Richard Cordray, Consumer Financial Protection Bureau, <http://www.coohio.org/files/Cordray%20letter%20stronger%20rules.pdf> )



August 26, 2016

The Honorable Representative Brad Wenstrup  
United States House of Representatives  
1318 Longworth House Office Building  
Washington, DC 20515

Dear Rep. Wenstrup:

I am writing to request your support for the Consumer Financial Protection Bureau's new rules on predatory payday lending by signing on to the enclosed letter from your colleague Rep. Maxine Waters.

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