

May 13, 2019

The Honorable Kathleen Kraninger
Director, Consumer Financial Protection Bureau
1700 G Street, NW Washington, DC 20552

RE: Comments on Proposal to Rescind Ability-to-Repay Requirements Governing Payday, Vehicle Title, and Certain High-Cost Installment Loans, Docket No. CFPB-2019-0006; RIN 3170-AA80

Dear Director Kraninger:

The Faith for Just Lending coalition respectfully submits the following comment in response to the above-referenced Notice of Proposed Rulemaking. In 2017, the Consumer Financial Protection Bureau finalized new rules to curb predatory payday and car title lending practices and we supported the finalized rule. Faith for Just Lending represents millions of Christians in the United States, from a wide range of denominations and traditions, and we are united in our desire to see predatory lending practices ended. Scripture teaches us to respect the God-given dignity of every person. Exploiting the economic hardship of our neighbors is sinful.

We support the finalized Rule on Payday, Vehicle Title, and Certain High-Cost Installment Loans which sought to protect vulnerable individuals and families in times of financial crisis from debt traps designed around their inability--as opposed to ability--to repay their loan. Requiring a lender to make a determination of a borrower's ability to repay is a longstanding principle of the U.S. banking system. A strong rule must not only have strong upfront underwriting requirements, but effective back-end protections against repeated flipping of the loans as well. We believe that these efforts are a step in the right direction. We therefore ask that the ability to repay standard be upheld and not eliminated from the payday rule.

We do not support any exemption from the borrower's ability to repay standard. The sanctioning of usurious loans contradicts our faith traditions. The CFPB must strengthen its proposal to not allow this exception from its ability to repay test.

Polling has shown that across denominations and practices, American Christians are united in their opposition to predatory lending. In a poll commissioned by Faith for Just Lending from Lifeway, 77% of Christians polled agreed that it is a sin to loan someone money in a way that the lender gains by harming the borrower financially. Furthermore, 94% agreed that lenders should extend loans at reasonable rates based on an ability to repay.

The Bible offers guidelines for honorable lending and borrowing. Included among these are: 1.) do not take advantage of the weak, 2.) do not charge usurious interest, and 3.) seek the good of the other. When evaluated against these criteria, the current debt trap

Faith for Just Lending

a call to end predatory payday lending

created by predatory payday and car title lending system falls far short. A business that targets vulnerable people with a product that leaves most of its customers worse off does not contribute to the common good.

We will continue to provide charitable assistance to those most in need, for whom loans of any kind are inappropriate. And we will continue to advocate for fair and just regulation of loans so that, when credit is made available, it is offered under terms and conditions that allow borrowers to resolve their problems, rather than become more deeply mired in them. We urge you to not eliminate the ability-to-repay standard from the Rule on Payday, Vehicle Title, and Certain High-Cost Installment Loans and call the Consumer Financial Protection Bureau to uphold its responsibility to protect borrowers from the destructive debt traps that payday loans create.

Sincerely,

Faith for Just Lending

Contact: Katie Thompson info@lendjustly.com 202-695-2667

**Southern Baptist Ethics
& Religious Liberty
Commission**

**United States Conference
of Catholic Bishops,
Committee on Domestic
Justice and Human
Development**

Catholic Charities USA

**National Association of
Evangelicals**

**National Latino
Evangelical Coalition**

**National Baptist
Convention, USA, Inc.**

**Cooperative Baptist
Fellowship**

Center for Public Justice

**Ecumenical Poverty
Initiative**

**Faith in Action
(Formerly PICO
National Network)**

The Episcopal Church



THE ETHICS & RELIGIOUS
LIBERTY COMMISSION
OF THE SOUTHERN BAPTIST CONVENTION



COMMITTEE ON
DOMESTIC JUSTICE AND
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