To: Interested parties

From: GBA Strategies

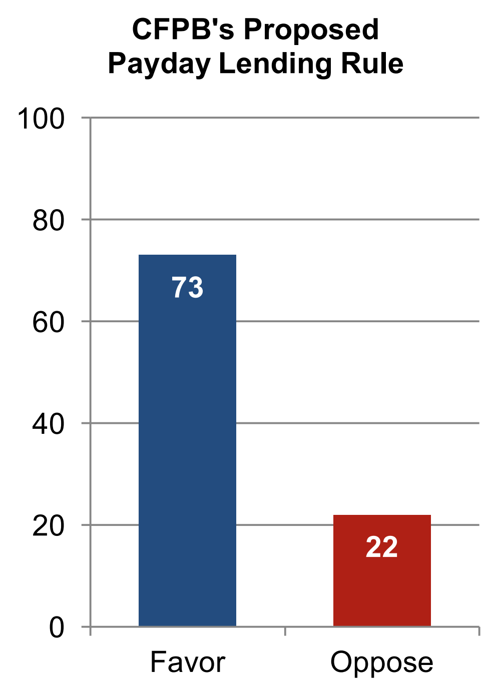
Date: June 10, 2016

National Survey Results:
Overwhelming Support for CFPB's Payday Lending Rule

A new national survey[1] on behalf of the Center for Responsible Lending, Americans for Financial Reform, the National Council of La Raza, and the NAACP finds voters overwhelmingly support the Consumer Financial Protection Bureau's new rule on payday lending by a margin of 73 – 22 percent.

The proposed new rule will require lenders to determine that borrowers are financially able repay their debt and restrict over-lending.

Outlined below are the key findings from the survey, which shows broad, bipartisan support for the proposed rule and stronger regulations on payday lenders, whom the public holds in particular low regard. These findings are based on a national sample of 800 registered voters, with additional interviews conducted among African American and Latino voters.



Key Findings

- **Payday lenders are extremely unpopular.** Nationwide, only *3 percent* of voters hold favorable views of payday lenders, while a 51-percent majority of voters is unfavorable toward them. To put those figures in context, the same surveys finds that "Wall Street banks"—often viewed as a paragon of greed and corruption—actually receive a better rating of 15 percent favorable to 44 percent unfavorable, and proverbial "used car salesmen" earn a favorability rating of 16 – 46 percent favorable-unfavorable.

[1] This survey was conducted May 26 – June 1, 2016. It includes interviews among 800 registered voters nationally, and over-samples of African American and Latino voters to reach totals of 288 and 271 interviews, respectively. Interviews were weighted to reflect the national population. Respondents were contacted on landlines and cell phones, and the overall results carry a margin of error of ±3.5 percentage points at the 95 percent confidence interval.

Voters who have experience with payday lending are similarly negative. Among voters who report they have been a recipient of a payday loan, only 7 percent give payday lenders favorable ratings while 51 percent are unfavorable. Meanwhile, voters who know friends or family who have gotten payday loans give payday lenders even worse marks of 4 percent favorable to 63 percent unfavorable—likely because these voters see the negative impact these loans have on those close to them.

- **A large majority favors more regulation of payday lending.** After hearing a basic description of payday loans, voters think there should be additional regulation of the payday lending industry by a wide margin: 71 – 25 percent.

A payday loan is a loan that has payment due when the person taking out the loan receives his or her next paycheck and the payday lender takes payment directly from the borrower's checking account. A typical two-week loan has a fee of between ten and thirty dollars. The annual interest rate on a payday loan is typically between three hundred and four hundred percent.

One of the most striking dynamics is the broad political agreement on this issue of payday loan oversight. Democrats are the most in favor of additional payday lending regulation by a massive 82 – 15 percent margin, but large majorities of both Independents and Republicans are also in favor, by margins of 65 – 29 and 63 – 32 percent, respectively.

In addition, Latinos and African American voters are among the most supportive of additional regulation, with Latinos favoring it by a margin of 72 – 25 percent and African Americans favoring it by an even greater margin of 78 – 19 percent. The survey shows that African Americans and Latinos are the most likely to have received payday loans or have a family member or friend who received payday loans.

- **Voters overwhelmingly support the new rule regulating the payday industry: 73 – 22 percent.** Given the level of antipathy toward payday lenders and support for additional regulation, it's not surprising that the rule proposed by the Consumer Financial Protection Bureau is a welcome development for the vast majority of voters.

As you may know, the Consumer Financial Protection Bureau is an independent agency of the United States government responsible for consumer protection in the financial industry. Now I am going to read you a proposed new rule to regulate the payday lending industry that is being considered by the Consumer Financial Protection Bureau.

The new rule requires payday lenders to verify—in advance of making a loan—that people applying for a loan have the ability to repay the full amount of the loan. The rule also limits how often lenders can make repeated loans to the same borrower in succession.

This rule receives exceptionally broad, bipartisan support with over 70 percent of Democrats, Republicans, and Independents all favor—which is impressive in this era of partisan polarization.

Finally, an overwhelming majority of voters who have direct experience with payday lending are in favor the CFPB's new rule. These are voters who know first-hand that payday lending needs to be reformed, with strong protections put in place to keep payday lenders from exploiting borrowers who can least afford it.

	Favor – Oppose CFPB Rule
Total	73 – 22
Democrat	76 – 19
Independent	71 – 23
Republican	75 – 23
Have received a payday loan, or have friends or family members who have received payday loans	74 – 23