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CALIFORNIA REINVESTMENT COALITION

October 7, 2016

Hon. Richard Cordray
Director
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: California Reinvestment Coalition (CRC) comments on proposed rulemaking on payday, vehicle title, and certain high-cost installment loans

Docket number CFPB-2016-0025 or RIN 3170-AA40

Dear Director Cordray,

The California Reinvestment Coalition files this comment in response to the CFPB's proposed rule on payday, vehicle title, and certain high cost installment loans. Thank you for the opportunity to submit comments. The Bureau's proposed rule is an important first step in addressing the harms of predatory small dollar loans, but the final rule must be strengthened to ensure it stops the debt trap for both shorter and longer term loans once and for all.

CRC is the largest state community reinvestment coalition in the country with over 300 organizations as members and a 30-year history of working for the economic vitality of low-income neighborhoods and communities of color. CRC's payday reform work is driven by our mission to hold the financial services sector accountable for meeting the credit and capital needs of historically underserved populations. CRC strives to increase financial opportunity for these communities by expanding access to fair and affordable financial products and services, and stopping predatory practices that strip the income and assets from those living on the financial margins.

CRC supports the Bureau's approach of using the ability to repay as a general principle throughout the rule, limiting repeated payment withdrawal attempts on consumers' accounts, and applying the rule to both short and longer-term loans. We also appreciate the CFPB's affirmation of the need for stronger state laws, such as interest rate caps.

However, like many of our members and allies across the country, we are concerned that the proposed rule contains numerous loopholes that would be exploited by lenders who are already entering the longer term installment loan market. These loopholes should be closed, and the CFPB's final rule should be strengthened to ensure that the same harmful practices we see today don't continue to hurt consumers.

We therefore urge the Bureau to strengthen the final rule by:

- Requiring all lenders to assess their borrowers' ability to repay with no exceptions, including when lenders will have accesses to a borrower's bank account or car title at any point during the life of the loan, or where the lender may seize property or garnish wages, by considering each borrower's expected income and expenses;
- Requiring all lenders to apply prudent underwriting standards, including looking at a borrower's actual expected income, basic living expenses, and major financial obligations, regardless of the lender's default rate or other lender or loan characteristics;
- Requiring safeguards against repeat loan flipping and loan stacking;
- Requiring all lenders to obtain new authorization to access a consumer's bank account after an unsuccessful attempt to collect payment; and,
- Strengthening the enforceability of stronger state laws that offer protections.

Over the past decade, CRC has worked at the state and local level to rein in the abuses of payday and other predatory lenders. We have worked with and supported many municipalities across the state, such as Sacramento, San Francisco, Oakland, Berkeley, San Jose, Fresno, Long Beach and numerous others, to enact local land use and zoning ordinance laws to contain and restrict the growth of the payday loan industry. We have arduously defended the few protections available to consumers under the California Deferred Deposit Transaction Law which governs payday loans, and the California Finance Lenders Law, which governs all other non-bank loans, both secured and unsecured. Year after year, the industry has attacked these protections, introducing bill after bill to increase the payday loan maximum that may be offered beyond $300 and to remove the 36% rate cap on loans between $300 and $2,500, among other efforts.

Through our fight to protect consumers, we have learned many lessons that we lay out below and inform our recommendations regarding the proposed rule.

Consumers Need True Safety Nets, Not Debt Traps Masquerading as Safety Nets

Perhaps the most pernicious and insulting claim that the industry makes is that they provide a safety net to consumers who otherwise have no way to pay bills, buy medicine, or pay for household needs. Unfortunately, at the behest of the industry, this message is too often repeated by financially-strapped consumers when in fact, what many families need is additional income, not debt traps. Last year, our members identified the need for higher income as one of the five most pressing financial issues faced by the communities they serve. Though the need for additional family resources is widespread, the economic pressure falls heaviest on communities of color. Research shows that:

- One in three California households (31%) do not have sufficient income to meet their basic costs of living. [1]
- Even two full-time, minimum wage jobs cannot sustain a family of four in California.[2]
- Over half of California Latino households and 40% of African American households have insufficient income to make ends meet. This is followed by Asian American households (28%) and white households (20%).[3]
- Sixty percent of California households led by a noncitizen struggle to make ends meet compared to 1 in 4 native-born and 36% of naturalized citizens.[4]
- In Los Angeles, White households have a median net worth of $355,000. By comparison, Mexican households have a median wealth of only $3,500 and U.S.-born Blacks have $4,000. Other immigrants and households of color also do worse than White households: African-born blacks have a median wealth of $72,000; non-Mexican Latinos, $42,500; Koreans, $23,400; and Vietnamese, $61,500.[5]
- Unemployment rates are greater for Latino (5.8%) and Black workers (8.6%) than for white workers (4.4%).[6] Even when employed the income gap is greater for Latino and Black workers. Latinos earn $13,000 less than their white households, and Black workers earn $20,000 less per year than their white households.[7]

Households barely making it need real help, a true safety net. Recent data shows that in 2015, over nine million people came out of poverty thanks to low-income tax credits; 4.5 million came out of poverty thanks to the Supplemental Nutrition Assistance Program (SNAP, also known as food stamps); and 2.5 million came out of poverty thanks to housing subsidies.[8] Child support and school lunch programs also helped more than 2.5 million people combined avoid poverty in 2015.[9]

Predatory lenders rely on repeat business based on the inability of borrowers to walk away after repaying a loan. Their very business model, confirmed by the CFPB itself through research and enforcement actions, requires that consumers not be able to both repay a loan and meet other

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[1] Struggling to Get By: The Real Cost Measure in California 2015, United Way of California. *Available at* http://www.unitedwaysca.org/realcost.
[2] Id.
[3] Id.
[4] Id.
[5] The Color of Wealth in Los Angeles, a Joint Publication of Duke University, The New School, the University of California, Los Angeles, and the Insight Center for Community Economic Development and issued by the Federal Reserve Bank of San Francisco, 2016. *Available a*t http://www.aasc.ucla.edu/besol/Color_of_Wealth_Report.pdf.
[6] The Ever-Growing Gap: Without Change, African American and Latino Families Won't Match White Wealth For Centuries, a joint publication by CFED, the Racial Wealth divide Initiative, and Institute for Policy Studies, 2016. *Available at* http://cfed.org/policy/federal/The_Ever_Growing_Gap-CFED_IPS-Final.pdf
[7] The Ever Growing Gap: Without Change, African American and Latino Families Won't Match White Wealth for Centuries.
[8] *See* U.S. Department of Commerce, U.S. Census Bureau, The Supplemental Poverty Measure 2015 13 (2016), *available at* http://www.census.gov/content/dam/Census/library/publications/2016/demo/p60-258.pdf (Table 5b).
[9] *See id.* (1.38 million benefitted from child support, and 1.26 million benefitted from school lunch programs).

household needs. Rather than provide a safety net, these lenders perpetuate and worsen financial insecurity, keeping borrowers dependent on continued rollovers each one costing a stiff fee. That is not help; it is financial abuse.

Payday and High-Cost Installment Loans Hurt the Most Financially and Economically Vulnerable Communities

Predatory lenders target the most economically and financially vulnerable communities. These loans are particularly detrimental to California's lower income and communities of color, populations which the payday and car title loan industries target and exploit. A 2009 study by the Center for Responsible Lending found that payday lenders are nearly eight times as concentrated in neighborhoods with the largest shares of African Americans and Latinos as compared to white neighborhoods.[10] Pew Charitable Trusts has found that people are more likely to use payday loans if they are renters rather than homeowners; are separated or divorced rather than having a different marital status; make less than $40,000 annually, and are Black.[11]

The loans pose a growing threat to younger workers and senior citizens in the state. In 2014, the California Department of Business Oversight (DBO) found that payday lending to younger Californians ages 18-21 and to seniors age 62 and older significantly increased.[12] The average older borrower in 2014 also took out more loans than the overall customer population, according to the survey. Specifically, borrowers 62 years old or older borrowed 7.06 loans, compared to 6.35 loans per borrower for all customers. Californians ages 18-21 also significantly increased their payday loan borrowing in 2014, the survey found. The number of borrowers in that age group rose by 26.8 percent from 2013, to 64,436. Their number of transactions increased 9.9 percent to 213,424.

California's rural communities are also targeted by these predators. Half of all of California residents live in rural areas like the San Joaquin Valley. The San Joaquin Valley is one of the most productive rural economies in the country with a higher population than twenty-two states in the country. However, the Valley suffered greatly during the housing crisis, and is lagging behind other regions of the state in the current economic recovery. The eight counties that make up the San Joaquin Valley -- Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus and Tulare, cover 27,262 square miles, roughly the size of the state of Massachusetts. The Valley also experiences a higher rate of unemployment and foreclosure than the nation and the rest of California; it is home to large immigrant populations from Latin America and Southeast Asia, many of whom live below the poverty line.

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[10] Predatory Profiling: The Role of Race and Ethnicity in the Location of Payday Lenders in California, 2009. Center for Responsible Lending. *Available at* http://www.responsiblelending.org/california/ca-payday/research-analysis/predatory-profiling.pdf.

[11] Payday Lending in America: Who Borrows, Where They Borrow, and Why. Pew Charitable Trusts, 2012. *Available at* http://www.pewtrusts.org/~/media/legacy/uploadedfiles/pcs_assets/2012/pewpaydaylendingreportpdf.pdf.

[12] California Department of Business Oversight, *DBO Survey Details Growth in Payday Loan Borrowing Among Older Californians*. 2015. Attached.

The San Joaquin Valley has a whopping 140 check cashing and payday stores per 100,000 households compared to only 51 bank branches per 100,000.[13] For its share of the state's households, the Valley has almost twice as many check chasers and payday lenders as compared to bank branches. Though the Valley is home to about 9.6% of the state's households and about 10.5% of the state's bank branches, it contains about 17% of the state's check cashing and payday outlets.

Predatory Lenders Are Shape-Shifters that Morph to Find and Exploit Every Loophole

Unfortunately, California's payday and installment loan laws leave much room for abuse. Payday loans are capped in both fee (up to 15% of the loan amount) and amount of the loan to $300, while the California Finance Lenders Law (CFLL) restricts rates on loans between $300 and $2,500, loans over $2,500 have neither amount or interest limits.

The DBO's most recent annual report of activity licensed by the state's Deferred Deposit Transaction Law shows that in 2014, the total dollar amount of payday transactions increased by 6.66 percent from the previous year, and the total number of transactions increased by 2.0 percent.[14] By comparison, the total number of unsecured consumer loans originated under the CFLL in 2015 increased 28.11 percent from 2014, to 1,018,469 from 794,875. The aggregate principal amount of such loans increased 40 percent over the same period, to $5.6 billion from $4.0 billion. In 2015, the number of unsecured consumer loans valued under $2,500, (which are generally capped at 36%), increased by 30.2 percent (450,224 loans) from 2014 (345,796)., . The aggregate principal amount of such loans increased 28.1 percent over the same period, to $312.1 million from $243.5 million. Well over half of consumer installment loans between $2,500 to $4,999 carried APRs of 100 percent or higher.[15] Annually, these lenders drain $507,873,939 in payday fees and $239,339,250 in car title fees, stripping consumers of their income and impeding their ability to save for emergencies, not only a significant loss to borrowers, but also to the overall state economy.[16]

In California, as in other states, lenders have been migrating to make abusive high-cost longer-term car title and installment loans over $2,500, structured with terms that last many months and with no limit on interest rates.[17] These loans come with significant risk and harm to borrowers. According to the

[13] Down in the Valley: Financial Neglect in Rural California. California Reinvestment Coalition, 2013. *Available at* http://bit.ly/CRCRuralReport.

[14] California Department of Business Oversight Annual Report: Operation of Deferred Deposit Originators Licensed under the California Deferred Deposit Transaction Law. 2014. *Available at* http://www.dbo.ca.gov/Licensees/Payday_Lenders/pdfs/CDDTL_Annual_Report_2014.pdf.

[15] State of California Department of Business Oversight Annual Report on Operation of Finance Companies under the California Finance Lenders Law. 2016. Attached.

[16] Payday and Car Title Lenders Drain $8 Billion in Fees Every Year. Center for Responsible Lending, 2016. *Available at* http://www.responsiblelending.org/research-publication/payday-and-car-title-lenders-drain-8-billion-fees-every-year.

[17] Predatory Payday and Larger Installment Loans Overshadow Emerging Market for Smaller, Less Expensive Installment Loans in California. Center for Responsible Lending, December 2015. *Available at* http://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl_california_payday_dec2015.pdf.

CFPB's own research, approximately 1 in every 5 people who take out an auto-title loan with a balloon payment has their car eventually repossessed.[18] Families that lose a car face more difficulty commuting to work and, in a state like California that does not guarantee school buses, getting children to school. While this is enough of a burden on many families, families that rely on public benefits like CalWORKs, California's program for Temporary Assistance for Needy Families, face losing those benefits if they cannot work sufficient hours or their children cannot get to school.

The California DBO has issued a consumer alert about the dangers of auto-title loans, noting that lenders can charge unlimited interest rates on almost all of the loans and that some firms use devices that remotely disable car engines when borrowers miss payments.[19] From 2011-2014, the number of auto title loans increased 178.8 percent while the total principal went up 185.2 percent. State law limits interest rates on consumer loans under $2,500, but imposes no restrictions on loans over $2,500. In 2014, of all auto title loans made, 99 percent were for $2,500 or more.

Because these products are so abundant and easily accessible, residents turn to these places for help, only to fall into abusive, long-term cycles of high-cost debt. While local policies may help prevent new stores from opening, strong federal regulations that bolster state protection are necessary to ensure that payday, car title and installment lenders do not exploit financially vulnerable consumers.

Payday and High-Cost Installment Loans Wreak Devastating Real-Life Consequences: The Stories of Three Consumers

CRC has worked with payday and installment loan borrowers to file complaints with the Bureau and to help educate others about the dangers of quick cash advances. Their stories illustrate the harm done by unrestricted payday and installment lending, and underscore the need for stronger consumer protections at the state and federal level.

One consumer, Davina Esparza, a substance abuse counselor from East Los Angeles carried four $300 payday loans simultaneously for over two consecutive years, and midway through, she incurred an additional $2,600 installment loan for which she made payments for almost a year. Davina started using payday loans when her father passed away and she had to cover all of her housing expenses on her own. She churned four payday loans every two weeks for over two years, and paid an estimated $10,000 in fees. Though she paid over $2,250 toward her installment loan debt, the balance on her loan continued to grow. She struggled to pay her rent, car loan, insurance and other basic needs, on top of her five loans and eventually had to close her bank account and default on four of five loans.

Davina is now experiencing homelessness as a direct result of the financial damage caused by the loan. She has been unable to secure her own place because of how badly her credit has been impacted and because she has been unable to save enough money for a rental deposit and moving expenses. She is currently staying with a family member until she can improve her situation.

[18] Consumer Financial Protection Bureau, Single-Payment Vehicle Title Lending 4 (2016), available at http://files.consumerfinance.gov/f/documents/201605_cfpb_single-payment-vehicle-title-lending.pdf.
[19] California Department of Business Oversight, *Auto Title Lending Continued California Surge in 2014, DBO Report Shows*. 2015. Attached.

Joann Taylor, a food service worker from south central Los Angeles had a similar experience. She received a solicitation saying she had been "pre-approved" for a $3,000 loan from Rise. Since Joann only works during the school year, she sometimes struggles to make ends meet when school is out. When she got Rise's offer, she needed the money to help pay for her daughter's expenses during her senior year of high school and to help her transition to college. Although Joann told the lender that she could only afford to repay $289 a month, they began debiting $289 from her checking account every 10 days, over $600 a month. This was absolutely unaffordable and unsustainable for Joann, and she quickly found herself falling behind on bills and rent.

Because Rise was automatically deducting $289 from her bank account, she incurred numerous overdraft fees. She estimates that she paid at least $245 during this period on overdraft fees alone. About six months after she took out the loan, she defaulted after having already paid almost $4,500 on the original $3,000 loan. She was forced to close her bank account so that the lender could no longer try to withdraw payments. Ultimately, Joann also lost her housing when she was evicted from her apartment and she had no funds to secure a new place.

Michael Lake, from San Diego, juggled six payday loans from six different lenders for over two years. Michael receives social security disability insurance and lives on only $1,232 per month. He took out his first payday loan in April of 2012, and soon after accumulated half a dozen payday loans. He struggled to repay the loans, and incurred numerous overdraft and NSF fees from his bank. During this time, Michael's payday loan debt created severe emotional stress and material hardship for him, making it difficult for him to acquire basic necessities such as food, clothing and medicine. By our calculations, Michael paid over $6,000 - half his annual income - in payday loan interest and fees over two years. As a result of his experience with payday loans, Michael volunteered to share his personal story with CFPB Director Cordray at a listening session held in Oakland in 2014. Michael was finally able to get out of his payday loan debt with help from a Community HousingWorks' residential services program and an affordable loan from a faith-based credit union in San Diego.

These stories, among the many we hear from our members and consumers who reach out to us, are the reason that CRC believes that the CFPB must strengthen its proposed rule to establish a strong federal floor for consumer protections.[20]

Loopholes in the Proposed Rules Must Be Closed to Protect All Consumers

Ability to Repay: Close All of the Loopholes

Every lender must be required to assess a borrower's ability to repay, without endangering other obligations or having to re-borrow, before making any loan. There must be no exceptions to this rule.

Lenders must be made to assess ability to repay even for loans at rates under 36% and those modeled on the NCUA model. There is nothing magic about 36% or 28% interest rates other than they are widely recognized as being more affordable than most current payday loan rates. That said, many borrowers would have great difficulty repaying a loan at 28% or 36% if they had insufficient income to both pay the

[20] More stories are available at https://calreinvest.wordpress.com/2016/06/01/california-payday-loan-consumers-share-their-experiences.

loan and meet other obligations. Moreover, allowing lenders to evade proposed rules if they additionally charge “reasonable proportionate” fees and have default rates lower than 5% only invites lenders to game the system, pack on unknown fees that add to the overall cost of the loan, and invent creative refinancing options that keep default rates artificially low. These lenders should be required to follow all of the same rules as others, including assessing an ability to repay, being prohibited from making repeat debits to collect payment, using the national information registry, and all other provisions that would apply to loans at higher rates.

Close the loophole that would allow lenders to make up to six short-term loans a year without performing any underwriting. Repeat borrowing is at the heart of the predatory business model, but even one loan that cannot be repaid can send borrowers into severe financial turmoil. Six that cannot be repaid can have exponentially worse impacts.

In California, repeat borrowing without considering ability to repay is already the norm with devastating effect. Last year the DBO found that the number of payday loan borrowers with ten transactions outnumbered those with one, and subsequent transactions by the same borrower accounted for 76.2 percent of the total number of payday loans for licensees that responded to the DBO’s survey.[21] Of subsequent payday loans for the same borrower, 47.2 percent were made the same day that the previous transaction ended while another 23.2 percent were made one to seven days after the previous transaction.[22] Borrowers making under $30,000 annual made up roughly 60% of all California payday borrowers and were thus more likely to be among those who took seven or more loans and paying 64% of all fees collected by lenders, about $53.53 million.[23]

Cover all loans that provide lenders the ability to extract or compel repayment. This includes loans where the lender will have access to the borrower’s account even after the first few days of the loan term, loans secured by personal property, and loans where the lender will be able to garnish wages. Ensuring the ability to repay requirement is particularly important for payday and car title loans, where lenders currently care only about the ability to coerce payment by draining a person’s account or seizing their car, regardless of likely impacts to the borrower, such as multiple overdraft or insufficient funds fees, loss of mobility, and the resulting inability to meet household needs.

Require Prudent Underwriting

We very much appreciate that the proposed ability to repay standards for short and longer-term loans requires verification of income and outstanding debt obligations, as well as estimates of housing costs and other basic living expenditures needed for health, welfare and ability to produce income. We believe that this approach is the most appropriate and mirrors 2013 guidance issued by the FDIC and the Office of the Comptroller of the Currency regarding deposit advance products. These required lenders to assess the customer’s financial capacity, including income, their ability to repay a loan without needing to borrow repeatedly from any source, including re-borrowing, to meet typical recurring and other

[21] State of California Department of Business Oversight, 2016 Summary Report: California Deferred Deposit Transaction Law Annual Report and Industry Survey. Attached.
[22] Id.
[23] Id.

necessary expenses such as food, housing, transportation, and healthcare, as well as other outstanding debt obligations.[24]

We vehemently oppose alternatives to analyzing the borrower's actual income and expenses, including calculating living expenses based on a percent of income, a minimum dollar amount, or other factors, or basing a borrower's ability to repay on factors that have nothing to do with the borrower, like the lender's loan performance.

We also urge additional safeguards to protect means-tested public benefits. Specifically, we recommend that all means-tested benefits, such as CalWORKs be held safe from collection efforts by all lenders covered under this rule. As mentioned earlier, families that rely on public-benefits face severe consequences as a result of predatory loans, up to and including losing their benefits. This is both inhumane and against the public interest in the purpose of these programs. Therefore, we ask that lenders who underwrite any loan relying on use of public benefits for payment should proceed at their own risk.

Safeguard Against Loan Flipping and Loan Stacking

For many years, CRC has advocated for a "one at a time" rule enforced through a registry. California law states that borrowers should only have one loan at a time.[25] Michael's story illustrates the damage that stacking multiple loans can create. With the current loopholes in the requirement to assess ability to repay, it is entirely possible (and likely, given the nature of the industry) that multiple lenders will lend to a single borrower with none or only a few having to look at the borrower's income and expenses. For that reason, we urge the CFPB to close all loopholes to prevent loan stacking.

Both the CFPB and the California Dept. of Business Oversight have found that a significant number of borrowers become trapped in a cycle of loan flipping and both the OCC and the FDIC have warned banks against similar "churning" of deposit advance loans. Both current practice and the industry's business model indicate that unless the CFPB stops it, loan flipping will continue. The retreat from a 60 day-buffer to a 30 day one, combined with the six payday loans not subject to the ability to repay standard, means that lenders will continue to put borrowers in 10 or more payday loans a year. We therefore urge the CFPB to impose a sixty-day buffer between loans to ensure that short-term debt doesn't rollover and become unaffordable long-term debt and to also impose a limit of short-term loan indebtedness to a total of 90 days every 12 months. These safeguards should similarly extend to longer-term loans.

Protect Consumers' Bank Accounts

A lender that gains the ability to reach into a borrower's account to collect payment quickly loses any incentive to ensure that the borrower can also pay their other obligations. Pre-authorized debits ensure that the lender is paid first, often in the middle of the night, before the borrower has a chance to pay

[24] Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency, Guidance on Supervisory Concerns and Expectations Regarding Deposit Advance Products, November 2013. Available at https://www.fdic.gov/news/news/press/2013/pr13105a.pdf and https://www.occ.gov/news-issuances/federal-register/78fr70624.pdf.
[25] Cal. Fin. Code. §23036(c).

other bills that may be outstanding. For anyone living on a thin financial margin, even one overdraft or insufficient funds fee caused by unexpected changes in cash flow can generate additional debt and fees that quickly snowball. For that reason, we urge the CFPB to limit authorized payment collection to a single attempt. Once that attempt has been denied, a lender should be required to gain new authorization from the borrower.

Strengthen Enforcement of State Law

The final rule must operate as a floor, not a ceiling, for protecting borrowers. One third of states do not permit payday lending at all, and several others, like California, have a few protections not provided in the proposed rule, such as a cap on rates and fees. The CFPB should do more than state that the rule will not preempt state laws: it should define violations of state law as abusive, deceptive and unfair.

Conclusion

In countless city council and other legislative hearings across the state, for years, wherever CRC has supported an effort to rein in predatory lending abuses, we have heard the industry present various red herrings in their defense, including pleading for access to credit in low income communities and communities of color. What industry defenders never admit is that the form of credit they offer is poison. Rather than help families absorb the cost of a financial shock over a longer period, payday and high-cost installment lenders exploit and compound the injury, turning a needful borrower into one who must struggle to be free of the “help” they provide.

Our communities need access to credit they can afford to pay within their budgets. CRC is working with banks to create alternatives to existing payday loans. We are helping them create and rollout these products by teaming them up with nonprofit financial counselors who have advised on appropriate terms and features that will meet their clients’ needs. We are excited that the recent Interagency Questions and Answers issued by the three supervisory agencies responsible for enforcing the Community Reinvestment Act (CRA) now explicitly state that banks will receive credit for creating small dollar loan programs that are responsive to the needs to low and moderate income communities. [26] We urge the CFPB to work with banks and the CRA supervisory agencies to create such products informed by the wealth of data contained in the CFPB complaint database and research.

Thank you for this opportunity to comment. For further clarification on these comments, please contact Liana Molina or Andrea Luquetta at 415-864-3980.

Sincerely yours,

Paulina Gonzalez
Executive Director

[26] 81 Fed. Reg 142 (July 25, 2016), Q&A §ll.22(a)—1

Attachments:

i. California Department of Business Oversight, *Payday Loan Customers with 10 Transactions Outnumbered Those with One in 2015.* 2016.
ii. California Department of Business Oversight, Auto Title Lending Continued California Surge in 2014, DBO Report Shows. 2015.
iii. State of California Department of Business Oversight Annual Report on Operation of Finance Companies under the California Finance Lenders Law. 2016.
iv. State of California Department of Business Oversight, 2016 Summary Report: California Deferred Deposit Transaction Law Annual Report and Industry Survey.