September 7, 2016

The Honorable Richard Cordray  
Director  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Re: Payday, Vehicle Title, and Certain High-Cost Installment Loans (RIN 3170-AA40)

Dear Director Cordray:

The 168 undersigned organizations representing Habitat for Humanity (Habitat) from 39 states appreciates the Consumer Financial Protection Bureau (CFPB) issuing the proposed rule on payday, vehicle title, and certain high-cost installment loans. This proposed rule represents a bold step toward securing financially healthy communities.

Habitat’s vision is a world where everyone has a decent place to live. Anchored by the conviction that housing provides a path out of poverty, Habitat, a nonprofit Christian housing organization, has helped more than five million people around the world improve their housing conditions since 1976 through home construction, rehabilitation and repairs, housing finance, housing support services and technical assistance, and advocacy. In addition, Habitat organizations are 501(c)(3) nonprofit charitable organizations that lend responsibly, providing mortgage loans to Habitat homebuyers who demonstrate the ability to repay.

For 40 years, Habitat has worked diligently with our Habitat homebuyers, donors, and volunteers to ensure everyone in our communities has the stability, strength, and self-reliance to lead better lives. However, predatory lending has always undermined our efforts. Predatory payday and car title lending are no different. In fact, we believe payday and vehicle title loans are barriers to affordable housing and a threat to housing security.

Habitat typically serves low-income families at 30-to-80 percent of the area median income, the same population being inundated with payday and vehicle title lenders. The vast majority of these borrowers’ use the loans for regular monthly expenses, including rent or mortgage payments, and utilities.¹ Habitat affiliates provide financial education to their homeowners that helps minimize the number of victims to predatory lending. Unfortunately, some Habitat homeowners enter their mortgages with outstanding

payday loan debt, because such debts are rarely reported and are virtually invisible in credit reporting systems. Sometimes loans have been refinanced several times, resulting in debts significantly larger than the original cash advance, undermining Habitat’s family selection and underwriting processes, and threatening families’ ability to repay their mortgages.

Habitat strongly supports the CFPB enhancing its proposal in the following ways in order to improve the long-term financial success of Habitat homeowners and affiliates.

1. Remove any exemptions and close any loopholes in the proposal so that all loans are covered by the ability-to-repay standard in the proposed rule;
2. Open a central registry for tracking payday, vehicle title, and other high-cost debt so that it may be accessed by all creditors, including nonprofit lenders like Habitat for Humanity;
3. Clearly establish that the ability-to-pay requirements in the final rule are not intended to override or replace interest rate caps or outright prohibitions of payday, vehicle title, or similar debt products already in law; and
4. Call for the convening of a forum of institutions, including financial institutions, nonprofit lenders, and other stakeholders, to assist the CFPB a) in monitoring the effectiveness of the proposal, as well as b) weigh any modifications that would safely provide credit for low-income consumers.

The rule proposed by the CFPB would create the first nationwide ability-to-repay standard for payday, vehicle title, and certain high-cost installment loans. We believe that this rule, when finalized, will be an important step to supporting Habitat homeowners, applicants, and others in our communities from being trapped in a cycle of unaffordable debt.

Thank you for the opportunity to comment on this important matter. Habitat strongly supports your efforts to effectively balance consumer protection with credit availability in low-income communities. For further information about these comments, please contact Andrew Szalay, director of state-local relations, at (202) 239-4432 or aszalay@habitat.org.

Sincerely,

Antrim County Habitat for Humanity
Arcadia-DeSoto Co Habitat for Humanity Inc.
Asheville Area Habitat for Humanity
Austin Habitat for Humanity
Barrow County Habitat for Humanity
Battle Creek Area Habitat for Humanity
Bay Area Habitat
Bay County Habitat for Humanity
Beaches Habitat for Humanity
Charlotte County Habitat for Humanity
Coles County Habitat for Humanity
Cumberland County Habitat for Humanity
Dallas Area Habitat for Humanity
DuPage Habitat for Humanity
Farmville Area Habitat for Humanity
Fort Hood Area Habitat for Humanity
Fulton-Hickman Habitat for Humanity
Genesee County Habitat for Humanity
George/Greene Habitat for Humanity
Greater Cleveland Habitat for Humanity
Greater Fox Cities Area Habitat for Humanity, Inc.
Greater Springfield Habitat for Humanity
Greeley Area Habitat for Humanity
Green Mountain Habitat for Humanity
Guadalupe Valley Habitat for Humanity
Habitat Bryan/College Station
Habitat for Humanity of Greater Chattanooga Area
Habitat for Humanity - DeKalb
Habitat for Humanity Cabarrus County
Habitat for Humanity Champaign County Ohio
Habitat for Humanity Choptank
Habitat for Humanity East Bay/Silicon Valley
Habitat for Humanity Greater Boston
Habitat for Humanity HiawathaLand
Habitat for Humanity in Okaloosa County, Inc.
Habitat for Humanity in Wayne County, Inc.
Habitat for Humanity Inland Valley
Habitat for Humanity International
Habitat for Humanity Lake County, IL
Habitat for Humanity Las Vegas
Habitat for Humanity Lima Area
Habitat For Humanity Maui
Habitat for Humanity Metro Maryland
Habitat for Humanity New York City
Habitat for Humanity Northeast Michigan
Habitat for Humanity of Anderson County KY
Habitat for Humanity of Archuleta County
Habitat for Humanity of Beaver County
Habitat for Humanity of Berks County
Habitat for Humanity of Bucks County
Habitat For Humanity of Clinton County, Ohio
Habitat for Humanity of Colorado
Habitat for Humanity of Council Bluffs, Inc.
Habitat for Humanity of East Polk County, Inc.
Habitat for Humanity of Findlay/Hancock County
Habitat for Humanity of Florida, Inc.
Habitat for Humanity of Frederick County MD
Habitat for Humanity of Gallatin Valley, Inc.
Habitat for Humanity of Gaston County
Habitat for Humanity of Glasgow-Barren County
Habitat for Humanity of Goldsboro-Wayne, Inc.
Habitat for Humanity of Grayson County
Habitat for Humanity of Greater Chattanooga
Habitat for Humanity of Greater Cincinnati
Habitat for Humanity of Greater Memphis
Habitat for Humanity of Greater Miami
Habitat for Humanity of Greater Nashville
Habitat for Humanity of Greater Orlando, Inc.
Habitat for Humanity of Greater Pittsburgh
Habitat for Humanity of Greenville county
Habitat for Humanity of Hillsborough County
Habitat for Humanity of Houston MS, Inc.
Habitat for Humanity of Huron Valley
Habitat for Humanity of Indiana
Habitat for Humanity of Iowa
Habitat For Humanity of Lenawee County
Habitat for Humanity of Logan Co
Habitat for Humanity of Mahoning Valley
Habitat for Humanity of Marion County, IA
Habitat for Humanity of Marion County, Inc., FL
Habitat for Humanity of Mesa County
Habitat for Humanity of Michigan
Habitat for Humanity of Monroe County
Habitat for Humanity of Montgomery County, PA
Habitat for Humanity of Morgan County, AL
Habitat for Humanity of New Castle County
Habitat for Humanity of North Central Iowa
Habitat for Humanity of Northwest Alabama
Habitat for Humanity of Ohio
Habitat for Humanity of Omaha
Habitat for Humanity of Ontario County, NY
Habitat for Humanity of Orange County, NC
Habitat for Humanity of Oregon
Habitat for Humanity of Pennsylvannia
Habitat for Humanity of Pueblo, Inc.
Habitat for Humanity of Richland and Crawford Counties, Inc.
Habitat for Humanity of Sangamon County
Habitat for Humanity of Seminole County and Greater Apopka, Flor
Habitat for Humanity of South Palm Beach County, Inc.
Habitat for Humanity of Springfield, Missouri
Habitat for Humanity of St. Charles County
Habitat for Humanity of Summit County
Habitat for Humanity of Sumner County TN, Inc.
Habitat for Humanity of the Chesapeake, Baltimore, MD
Habitat for Humanity of the Greater Teton Area
Habitat for Humanity of the Mid-Ohio Valley
Habitat for Humanity of Trenton
Habitat for Humanity of Tulare/Kings Counties
Habitat for Humanity of Washington, D.C.
Habitat for Humanity of York County
Habitat for Humanity Osceola
Habitat for Humanity Peninsula & Greater Williamsburg
Habitat for Humanity Philadelphia
Habitat for Humanity Quad Cities
Habitat for Humanity Sarasota
Habitat for Humanity South Sarasota County, Inc.
Habitat for Humanity Vail Valley
Habitat for Humanity West Hawaii
Habitat for Humanity-MidOhio
Habitat for Humanity St. Tammany West
Habitat of Humanity of Martinsville and Henry County
Habitat Waco
Haywood Habitat for Humanity
Highlands County Habitat for Humanity
Holston Habitat for Humanity
Huntington WV Area Habitat for Humanity, Inc.
Iowa Valley Habitat for Humanity
Kauai Habitat for Humanity, Inc
Kentucky Habitat for Humanity, Inc.
Kittitas County Habitat for Humanity
Knoxville Habitat for Humanity
Lakeland Habitat for Humanity
Lancaster Lebanon Habitat for Humanity
Lewis & Clark Habitat for Humanity
Lincoln County Habitat for Humanity, Inc.
Livingston County Habitat for Humanity, Inc.
Loveland Habitat for Humanity
Midland County Habitat for Humanity
Morris Habitat for Humanity
Murfreesboro Housing Authority
Murray Calloway County Habitat for Humanity
Northeast Mississippi Habitat for Humanity
Our Towns Habitat for Humanity
Pensacola Habitat for Humanity
Pikes Peak Habitat for Humanity
Roane County Habitat for Humanity
Rochester Area Habitat for Humanity
Roscommon County Habitat for Humanity
Rutherford County Area Habitat for Humanity
Santa Fe Habitat for Humanity
Scioto Valley Habitat for Humanity
Skagit Habitat for Humanity
South Puget Sound Habitat for Humanity
South Shore Habitat for Humanity
Southeastern Steuben County Habitat for Humanity
Southern Crescent Habitat for Humanity
Spencer County Habitat for Humanity
St. Lucie Habitat for Humanity
Starkville Area Habitat for Humanity
Taylor County Habitat for Humanity
The Greater Fredericksburg Habitat for Humanity
Tri-Cities Area Habitat for Humanity, Inc.
Twin Cities Habitat for Humanity
Twin Rivers Habitat For Humanity
Upper Thumb Habitat for Humanity
Waco Habitat for Humanity
Wichita Habitat for Humanity
York Habitat for Humanity