

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 appreciate 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.<sup>1</sup> 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

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<sup>1</sup> See Nick Bourke, et al, [Payday Lending in America: Who Borrowers, Where They Borrow, and Why](#), The Pew Charitable Trusts (2012)

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](mailto: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 Pennsylvania  
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