



## KANSAS CITY, MISSOURI HEALTH COMMISSION



**Public Health**

July 1, 2016

Kansas City, Missouri Health Commission  
2400 Troost Suite 4000  
Kansas City, Missouri 64108  
Re: Docket No. CFPB-2016-0025

Dear Sir/Madam:

The Kansas City Health Commission is writing in regards to the Bureau of Consumer Financial Protection's proposed rule entitled "Notice of Proposed Rulemaking on Payday, Vehicle Title, and Certain High-Cost Installment Loans" that the agency held on June 2, 2016.

The Kansas City Health Commission supports the proposed rule, Rulemaking on Payday, Vehicle Title, and Certain High-Cost Installment Loans, that would cover two categories of loans (loans with a term of 45 days or less and loans with a term of greater than 45 days that meet certain requirements) and identify it as abusive and unjust practice for lenders to cover a loan without reasonably determining that the consumer has the means to repay the loan. We support the following rules on payday lending:

- Identify it as abusive and unfair practice for lenders to provide consumers with short term loans without making certain they have the ability to repay the loan
- Identify it as abusive and unfair practice for lenders to provide consumers with long term loans without making certain they have the ability to repay the loan
- Payment practices rules that would recognize it as abusive and unfair practice for lenders to attempt to withdraw payment from a consumer's account after the lender's second attempt to withdraw funds from the account has failed due to insufficient funds
- Require lenders to provide basic information about most covered loans, updates, and certain information when the loan is no longer outstanding to registered information systems

Predatory lending has many damaging effects on our most vulnerable and economically challenged communities. Stagnant wages, underemployment, fluctuation in unemployment

they do not have the ability to repay. Not only does this create more financial burden on individuals and families that are already disadvantaged, it takes away from them spending money on other essentials such as food, health care, bills, etc. Poverty and poor health are inextricably connected. Consequently, poverty increases the chance of poor health outcomes, as these populations of people are less likely to receive the information, money, or access to health care services that would help them prevent and treat diseases and conditions. Thus, indigent populations often use health care services less as they are often faced with making tough decisions between paying for health care costs or providing for their families. Transportation to health centers can also serve as a burden for individuals without a means of transportation.

For these reasons, the Notice of Proposed Rulemaking on Predatory Loans will not only stop lenders from abusing vulnerable communities, it will also protect consumers from a cascade of financial debt.

We appreciate your attention to this issue and for developing rules to address predatory lending practices that are unjust and will only continue to harm consumers.

Sincerely,

  
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Dr. Lora Lacey-Haun, PhD, Health Commission Co-Chair

8/5/16  
Date

  
\_\_\_\_\_  
Councilwoman Alissia Canady, Health Commission Co-Chair

8/5/16  
Date