



**NEW
JERSEY
TENANTS
ORGANIZATION**

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June 27, 2016

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

Dear Director Cordray:

I am writing to ask you to strengthen the Consumer Financial Protection Bureau's (CFPB) proposed rule meant to rein in abusive high-cost payday loans. As written, the rule contains loopholes which would permit predatory payday lenders to trap consumers in need of immediate financial assistance into cycles of endless debt.

New Jersey prohibits high interest rate payday loans through state law. Despite this prohibition, the payday loan industry continues to prey on New Jersey borrowers via the internet. We are concerned that this debt trap industry will use the weak CFPB rule to try to overturn New Jersey's strong law. We ask that you strengthen the rule, close all loopholes and provide payday loan free states like New Jersey with additional tools to enforce our laws which prohibit unfair, deceptive and abusive payday loans.

We urge the CFPB to close all loopholes and issue a final payday loan rule that:

- Requires an ability-to-repay assessment for all payday loans
- Explicitly declares any violation of state usury and other consumer protection laws an unfair, deceptive, and abusive act or practice (UDAAP).

With a flat 30 percent usury cap in place, New Jersey has a perfectly good law that should protect consumers from predatory payday loans. Families in our state are much better off without these unaffordable and harmful loan products. New Jersey needs a final CFPB payday loan rule that bolsters and does not undermine our toughest existing state laws.

#StopTheDebtTrap !

Sincerely yours,

Matthew B. Shapiro
President