

FOR IMMEDIATE RELEASE
December 8, 2017
Kelly Griffith (520) 250-4416 kelly@economicintegrity.org

**Congress: Hands Off New Rule Protecting Arizona Families from Title and Payday Lenders**

(Phoenix, Arizona) --- Ignoring the voices of families and communities who have worked for many years for relief from the harms of predatory payday and title lending, a handful of members of Congress have introduced a bill that would nullify an essential rule finalized by the Consumer Financial Protection Bureau last month.

A bill introduced last week by Rep. Dennis Ross (R-Fla.) and co-sponsored by Rep. Alcee Hastings (D-Fla.), Tom Graves (R-Ga.), Henry Cuellar (D-Texas), Steve Stivers (R-Ohio), and Collin Peterson (D-Minn.), would kill a long-awaited rule that requires payday and car title lenders to make loans only after they have assessed whether the borrower can afford to pay them back. This is a commonsense measure that is designed to protect people from being trapped in the high-cost loans that characterize the payday and car title loan industries.

“Our representatives in Congress are going to have to decide whether they stand with predatory lenders or the people of Arizona,” said Kelly Griffith, Center for Economic Integrity in Tucson. “Arizona voters spoke loud and clear in 2008 to reject triple-digit rate payday lending, however there are no state-based rules that require title lenders to make responsible loans.”

A coalition of 700 civil rights, consumer, labor, faith, veterans, seniors and community organizations from all 50 states, including Arizona, energized a years-long effort to push the Consumer bureau for strong protections from predatory payday and car title lending. The business model relies on repeat borrowing of unaffordable loans; 66% of title loan borrowers have sequences of 7 loans or more. One in five title loan borrowers have their vehicle repossessed by the lender.

Payday and car title lending leaves people without funds to pay bills, strips them of their bank accounts, and increases their likelihood of bankruptcy. Across the country, payday and car title lending costs families $8 billion per year.

Title lending in Arizona costs families $254,924,519 per year in fees for title loans with interest rates up to 204% annual interest, according to analysis by the Center for Responsible Lending.

The Consumer Bureau's rule is [supported by more than 70% of Republicans, Independents and Democrats](http://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/lrp-poll-bipartisansupport-jul2017.pdf).