

February 13, 2018

The Honorable Jeff Merkley
313 Hart SOB
United States Senate
Washington, DC 20510

The Honorable Suzanne Bonamici
439 Cannon HOB
United States House of Representatives
Washington, DC 20515

Dear Senator Merkley & Representative Bonamici:

We, the undersigned consumer and community organizations, write to support your legislation to protect consumers from high-risk lending on the internet and offline. The Stopping Abuse and Fraud in Electronic (SAFE) Lending Act of 2018 is important legislation that will help safeguard consumers and law-abiding lenders from abuses rampant today in consumer lending.

The safeguards the SAFE Lending Act provides include:

- Clarifying that all lenders making small dollar loans must comply with state law if it provides better consumer protections than federal law, and extending this requirement to banks.
- Providing consumers greater control over their checking accounts by:
 - closing the “single payment loophole” in the Electronic Fund Transfer Act, extending important consumer protections for multi-payment loans to single-payment ones; and
 - stopping lenders from using borrowers’ bank account details to create unsigned checks the lenders use to withdraw funds.
- Banning overdraft fees on prepaid cards, including those issued by small dollar lenders who use them to add to the already exorbitant costs of payday loans.
- Safeguarding consumer data by banning “lead generators” who traffic in payday loan application information via marketing websites, and prohibiting them from anonymously collecting sensitive consumer data.

- Empowering the GAO to conduct a study on access to capital on Indian reservations and the impact of payday lending on tribal members.

We enthusiastically support the SAFE Lending Act of 2018 as a major improvement on protections and rights for consumers who go online to borrow money.

Sincerely,

National Organizations

Americans for Financial Reform
Center for Responsible Lending
Consumer Action
Consumer Federation of America
Consumers Union
Greenlining Institute
Interfaith Center on Corporate Responsibility
Main Street Alliance
NAACP
National Association of Consumer Advocates
National Consumer Law Center (on behalf of its low income clients)
National Consumers League
National Council of La Raza
National People's Action
National Rural Social Work Caucus
Public Citizen
Southern Poverty Law Center
Student Debt Crisis
UNITE HERE
USPIRG

State and Local Organizations

Alaska Public Interest Research Group, AK
Alabama Appleseed, AL
Arkansans Against Abusive Payday Lending, AR
Arizona PIRG, AZ
Center for Economic Integrity, AZ
California Reinvestment Coalition, CA

CALPIRG, CA
Consumer Federation of California, CA
Consumers for Auto Reliability and Safety, CA
CoPIRG, CO
ConnPIRG, CT
Delaware Alliance for Community Advancement, DE
Empire Justice, NY
Florida Alliance for Consumer Protection, FL
Florida PIRG, FL
Georgia PIRG, GA
Iowa Citizens for Community Improvement, IA
Iowa PIRG, IA
Idaho Community Action Network, ID
Citizen Action/Illinois, IL
Illinois PIRG, IL
Monsignor John Egan Campaign for Payday Loan Reform, IL
Woodstock Institute, IL
Kentucky Equal Justice Center, KY
Louisiana Community Reinvestment Coalition, LA
MASSPIRG, MA
The Midas Collaborative, MA
Maryland PIRG, MD
Maryland Consumer Rights Coalition, MD
Maine Center for Economic Policy, ME
Maine People's Alliance, ME
Michigan United, MI
PIRGIM, MI
MoPIRG, MO
Montana Organizing Project, a project of Alliance for a Just Society, MT
NCPIRG, NC
Reinvestment Partners, NC
NHPIRG, NH
New Jersey Citizen Action, NJ
NJ PIRG, NJ
NMPIRG, NM
Progressive Leadership Alliance of Nevada, NV
New Economy Project, NY
NYPIRG, NY
COHHIO, OH

Ohio PIRG, OH
Oregon State PIRG, OR
PennPIRG, PA
The One Less Foundation, PA
RIPIRG, RI
Tennessee Citizen Action, TN
Texas Appleseed, TX
Texas Consumer Association, TX
TexPIRG, TX
Virginia Citizens Consumer Council, VA
Virginia Organizing, VA
Virginia Poverty Law Center, VA
VPIRG, VT
WashPIRG, WA
Wisconsin Public Interest Research Group, WI
National Association of Social Workers, West Virginia Chapter, WV
West Virginia Center on Budget and Policy, WV
WV Citizen Action Group, WV