



October 6, 2016

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

Docket No. CFPB 2016-0025

Dear Director Cordray:

As members of the Florida Legislature, we have seen firsthand the devastating impact that predatory payday lending has on struggling families, on small businesses and on Florida's economy overall. For a family struggling to make ends meet the outrageous interest rates on payday loans, averaging a staggering 278% APR in Florida, make these loans virtually impossible to repay and still meet the family's basic needs.

When a family's monthly income is low it is financially dangerous to incur a \$500 payday loan debt, plus the fees and costs of \$55, in a balloon payment within weeks of taking out the loan. This lump sum payment leaves a huge hole in the family's budget. Further, the direct access to bank accounts that most payday lenders demand allows the payday lender to reach directly into the family's bank account for payment. With this huge hole in their budget, families are left with little choice but to re-borrow again and again, incurring more fees and costs, and ultimately going deeper into a cycle of debt and desperation. Data from Florida Office of Financial Regulation illustrates the

problem. It shows that in 2015 almost 60% of payday loans were to borrowers trapped in a staggering 12 or more loans per year, clearly a cycle of debt.

Florida is a prime example of how regulatory intention can be thwarted by predatory lenders taking advantage of loopholes. The 24-hour cooling-off period between loans found in Florida law, created to discourage repeat loans and break the cycle of debt, has proven too short to protect consumers. This, in addition to the lack of a state cap on interest rates, allows the lenders to trap many in an endless cycle of debt.

The CFPB's proposed rule is an important step forward for millions of Americans and for the people of Florida struggling to escape the debt trap, but it must be strengthened to be effective. It is critically important that the CFPB close loopholes in the proposed rules. A determination of the ability to repay the loan is a protection for families that should be required in all loans made. The Bureau should strengthen this part of the rule, closing the loophole that would allow lenders exemptions from this requirement.

As a nation, we must put people over profits and protect vulnerable families from deception, coercion and abuse by poor-quality lending products. We urge the CFPB to enact the strong rule our families deserve.

Sincerely,



The Honorable Mark Pafford  
Florida House of Representatives  
District 86



The Honorable Dwight Bullard  
The Florida Senate  
District 39



The Honorable Hazel P. Rogers  
Florida House of Representatives  
District 95



The Honorable Evan Jenne  
Florida House of Representatives  
District 99



The Honorable Cynthia A. Stafford  
Florida House of Representatives  
District 109

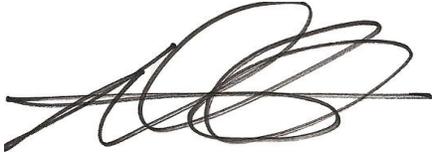


The Honorable Lori Berman  
Florida House of Representatives

District 90

A handwritten signature in cursive script that reads "Gwendolyn Clarke-Reed".

The Honorable Gwendolyn Clarke-Reed  
Florida House of Representatives  
District 92

A handwritten signature in cursive script that reads "Dwight Dudley".

The Honorable Dwight Dudley  
Florida House of Representatives  
District 68

The Honorable Geraldine Thompson  
The Florida Senate  
District 12