

**NATIONAL ASSOCIATION FOR THE ADVANCEMENT OF COLORED PEOPLE**

**NORTH CAROLINA STATE CONFERENCE**

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Rev. Dr. William J. Barber, II  
President

October 3, 2016

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

Re: ***North Carolina Conference of NAACP Branches comments on proposed rules on Payday, Vehicle Title, and certain High-Cost Installment Loans.*** Docket number CFPB-2016-0025 or RIN 3170-AA40

Dear Director Cordray:

The North Carolina Conference of NAACP Branches files this comment about the Consumer Financial Protection Bureau's proposed rule on ***Payday, Vehicle Title, and certain High-Cost Installment Loans***, your Docket number CFPB-2016-0025 or RIN 3170-AA40.

Founded in 1909, the NAACP is the nation's oldest and largest civil rights organization. Its members throughout the United States are premier advocates for civil rights in their counties and states. The purpose and mission of the NAACP is to ensure a society for all people to have equal rights and to eliminate racial hatred and discrimination. The North Carolina Conference of NAACP Branches is over 70 years old, and has over 100 Adult, Youth and College NAACP branches across the state. We are the largest state conference in the south; the second largest in the nation. Our fight against the regressive voter suppression bill with what the media dubbed the Moral Monday movement has added greatly to our membership and our partnerships in the past three years. For example, we have five new branches that are predominantly white in the western mountain region of the state, and we are working on our first Latino branch.

For the past 20 years I have pastored at Greenleaf Christian Church in Goldsboro, NC. In 1995, Greenleaf's moderate-sized congregation conducted a social demographic analysis of the two-mile circle surrounding our church and found high levels of poverty and under-employment. The congregation invested \$1.5 million into community development. It purchased the surrounding land and leveraged resources back into the community, resulting in more than 60 homes for low to moderate income families; a 41-unit senior citizens' facility; and a 90-student pre-school. We also built a community center with an academic afterschool program, a computer lab youth and adults, and an HIV information and testing center.

Eleven years ago, delegates from across the state elected me to serve them as the state President of the NAACP and have re-elected me every two years since. One of my strong and winning issues in that election, and ever since, has been opposition to "payday" lending rip-offs, and every other form of high-cost, debt-trap lending. We have continued to maintain strong

opposition to this insidious practice, as shown in our piece *Wrong Choices on Economic Justice for NC*. As you know, we were a part of a successful movement to pass some of the best anti-usury practices in the nation. Unfortunately, the nefarious lending practices of the mortgage bundlers on Wall Street were not within our reach, and poor families in North Carolina are still reeling from the Great Recession caused by these practices. The last thing we need is to let payday and other high-cost lenders set up shop here again. Payday loans are triple-digit debt traps. They should be outlawed everywhere.

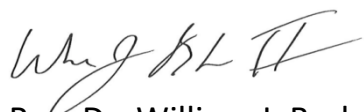
Car title loans are worse, whether they are short-term (two-weeks) or long-term (1-2 years). They charge 300% or 400% annual interest, and the long-term loans build in the flips.

We know your final rule will not override North Carolina's exemplary laws. We know you cannot set a strong interest rate cap, which we have known since biblical times is the best practice to stop what every religion holds is the sin of usury. From our moral high ground on this issue in North Carolina, we know that if you settle for a weak national rule, it will be thrown in our face by the Lender-Lobby, sloshing their contributions into our People's House to allow them to slouch back into North Carolina.

So when you put the final draft of the rule together, please include language that gives states with higher standards some kind of grandfather clause. Please exclude states which have stronger and more effective laws in place. States in the south, particularly, should be encouraged to be laboratories to prove there are better ways to relieve payday blues. We ask your rule to provide legal and moral support to our work in North Carolina; to support our model interest rate cap and the other lending protections we fought for and won. Help us strengthen our ability to enforce our state law against lenders making illegal loans here. Help us enforce the principle of ability-to-repay. Loans must be affordable. Borrowers must not be allowed to get caught in a cycle of debt. Basic needs of borrowers' families come first before loan payoff bills.

On behalf of the African American, Latino, Native American and poor white people in North Carolina, I thank you for your consideration of our position. I would be glad to testify about our experience and conclusions from the North Carolina laboratory. I would love to bring my friends (from the Center for Responsible Lending, Andrea Harris, Keith Corbett and others), who have helped make North Carolina first in the fight against usury. Please feel free to email me at [naacpbarber@gmail.com](mailto:naacpbarber@gmail.com) or call me at 919-682-4700.

Sincerely,



Rev. Dr. William J. Barber, II