

August 28, 2016

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

Re: Social Justice Ministry, Community United Church of Christ comments on proposed rule making on payday high cost loans.

Docket number CFPB-2016-0025 or RIN 3170-AA40

Dear Director Cordray,

I am writing on behalf of the Social Justice Ministry of Community United Church of Christ in Raleigh, North Carolina to urge that you strengthen your proposed national payday rule. Your proposed rule includes sections that sanction dangerous loan products and will not stop the debt trap that too many people find themselves in. There are a number of loopholes in your proposal that may lead to the reintroduction of payday loans in North Carolina which are currently illegal. We urge the following inclusions in your rule:

- require an ability-to-repay determination on every loan, with no exceptions;
- close the “business as usual” loophole which enables unscrupulous lenders to provide loans to people who lack the ability to repay, thus forcing them into high interest traps;
- strengthen protections against flipping from one unaffordable loan to another that also increases the prospects for unwary borrowers to become overly entangled;
- cover all loans that give lenders extra leverage to collect their payments such as loans with a super lien against the borrower’s checking account, secured by personal property, or with a right to garnish wages.

We believe that closing loopholes such as those described above will help North Carolina continue to keep payday lenders from preying on vulnerable citizens of our state. Thank you.

Yours truly,



John J. Little, Chair
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