

Faith for Just Lending

a coalition to end predatory payday lending

For Immediate Release

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CFPB Weakens Consumer Protections as Nation Struggles Through COVID-19 Pandemic

Washington, DC – Today, the Consumer Financial Protection Bureau (CFPB) issued a final, weakened version of its “Payday, Vehicle Title, and Certain High-Cost Installment Loans” rule just months before it was scheduled to take effect. The rule eliminates critical consumer protections that would have protected borrowers from predatory debt traps during the COVID-19 pandemic and beyond.

Payday loans, often with triple-digit interest rates, take advantage of short-term crises to trap families in long-term debt. The CFPB’s original 2017 rule included an ability to repay standard, which is a longstanding principle of the U.S. banking system. This would have prevented lenders from making unaffordable loans to vulnerable borrowers.

Faith for Just Lending, a [coalition](#) of Christian organizations and denominations representing millions of Christians across the country, responded with this statement:

We are deeply disappointed by the Consumer Financial Protection Bureau’s action to remove crucial consumer protections from its rule on payday and car title lending. In the wake of the major economic disruption caused by the coronavirus pandemic, the CFPB’s rule, instead of protecting consumers, allows payday lenders to make loans that trap working Americans in a snowballing spiral of debt.

Scripture condemns usury and teaches us to respect the God-given dignity of each person and to love our neighbors rather than exploiting their financial vulnerability. Thus, just lending is a matter of biblical morality and religious concern. Fairness and dignity are values that should be respected in all human relationships including business and financial relationships.

The responsibility to protect all Americans from predatory payday lenders now falls to Congress. We call upon Congress to include in the next stimulus bill an extension of the protections of the Military Lending Act, including a 36 percent rate cap, to cover all new loans made to Americans during the coronavirus pandemic crisis. Congress should also pass the [Veterans and Consumers Fair Credit Act](#) to ensure that all Americans are afforded this protection on a permanent basis.

Read Faith for Just Lending’s full statement on borrower protections during COVID-19 [here](#).

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Signing Organizations:

Catholic Charities USA

Center for Public Justice

Cooperative Baptist Fellowship

Faith in Action

Faith in Texas

Missouri Faith Voices

National Latino Evangelical Coalition

National Association of Evangelicals

National Baptist Convention, USA, Inc.

National Council of the United States Society of St. Vincent de Paul, Inc.

Southern Baptist Ethics & Religious Liberty Commission

The Episcopal Church

