

Faith for Just Lending

a coalition to end predatory payday lending

June 16, 2021

Re: Support Congressional Review Act (CRA) challenge to Office of the Comptroller of the Currency's (OCC) "National Banks and Federal Savings Associations as Lenders" rule

Dear Members of Congress:

We write to express our **support for the Congressional Review Act (CRA) challenge to the Office of the Comptroller of the Currency's (OCC) "National Banks and Federal Savings Associations as Lenders" rule**. The OCC rule overrides state usury laws, legalizing predatory lending even in states that have outlawed it.

On March 25, Senator Chris Van Hollen (D-MD), Senator Sherrod Brown (D-OH), and Representative Jesús "Chuy" García (D-IL) introduced a CRA resolution to challenge the OCC's rule. The U.S. Senate voted 52-47 on May 11 to overturn the OCC rule.

The OCC's rule threatens existing state protections against predatory payday lending and emboldens lenders by encouraging non-bank lenders to partner with banks as the "true lender", thus evading state interest rate caps. The rule allows lenders charging interest rates of 179% or higher to evade state rate caps.

Over several decades, high-cost lending to those in need has increased significantly. Nearly 16,000 payday and car title loan stores operate nationwide. Taking advantage of loopholes and a weakening of traditional usury laws, many of these lenders now offer loans at 300% APR and higher. Far too often, the result is families trapped in a cycle of debt with even less ability to pay the bills, keep food on the table, save for the next emergency, or provide for their children. Currently 18 states and the District of Columbia have enacted rate caps to protect borrowers from usurious interest rates and fees.

Since its creation in 2015, Faith for Just Lending has called for limits on predatory lending. In the wake of the major economic disruption caused by the coronavirus pandemic, many Americans have lost their jobs, incomes, and social support. Now, more than ever, we should also prohibit usury and economic exploitation. Collectively our organizations and denominations represent millions of Christians across the country. Our churches and charities are actively engaged in efforts to end poverty, alleviate suffering and promote opportunities for all people to flourish. **We are deeply concerned about how the OCC's rule will impact the working families and vulnerable communities we serve.**

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. Existing state rate caps

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of 36% APR and below allow for responsible products to thrive and flourish in the marketplace. They also serve as a bulwark against predatory actors.

The introduction of the CRA and the Senate's action is a step in the right direction to respect the authority and responsibility of states to enact strong consumer protections without providing a loophole for predatory lenders to subvert existing state rate caps. **We urge you to support the CRA challenge to the OCC's rule.**

Sincerely,

Faith for Just Lending

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Catholic Charities USA

Center for Public Justice

Cooperative Baptist Fellowship

Faith in Action

National Latino Evangelical Coalition

National Association of Evangelicals

National Baptist Convention, USA, Inc.

Southern Baptist Ethics & Religious Liberty Commission

The Episcopal Church

United States Conference of Catholic Bishops, Committee on Domestic Justice and Human Development



THE ETHICS & RELIGIOUS
LIBERTY COMMISSION
OF THE SOUTHERN BAPTIST CONVENTION

