A National Interest Rate Cap Would Protect Black Americans From Predatory Lenders, But Those Deciding Its Fate Have Taken Over $2.3 Million From Industry

SUMMARY: The Veterans and Consumers Fair Lending Act (VCFCA), which was still waiting to move in both the Senate Banking and House Financial Services committees as of January 2022, would place a 36% APR interest rate cap on all consumer loans, including predatory payday, installment, auto title products.

This VCFCA would greatly benefit Black Americans and would help fight the predatory lenders that "target" communities of color, according to nearly 190 consumer, civil rights, and other public interest groups that have called for the bill's passage.

Several other sources illustrate the harm that Black communities have suffered at the hands of payday and other exploitative lenders. The Consumer Financial Protection Bureau (CFPB) has found that alternative lenders, including payday, pawn, and auto title lenders, are "more concentrated" among Black consumers. Additionally, Black consumers are about twice as likely to live within a mile of a payday lender as white ones; Black households are over five times as likely to be unbanked and vulnerable to high-cost lenders than white ones; and about 40% of Black households have had to turn to alternative financial services while only about 15% of white ones have.

Troublingly, an Accountable.US review has found that **36 of the 78** members of the congressional committees currently deciding VCFCA's fate have taken a total of **$2,379,720** from payday lenders and have opposed a national interest rate cap—or have similarly supported efforts to let lenders avoid state caps:

- **10 House Financial Services Committee Members Explicitly Opposed To A National Rate Cap Have Taken At Least $541,030 From They Payday Lending Industry.**
    - 14 Other House Financial Services Committee Members Who Supported Efforts To Uphold A Trump Rule Allowing Lenders To Avoid State Interest Rate Caps Have Taken $990,010 From Payday Lenders.
- **Four Senate Banking Committee Members Who Have Explicitly Opposed A National Rate Cap Have Taken $274,998 From Payday Lenders.**
    - 8 Other Senate Banking Committee Members Have Taken $573,682 From Payday Lenders, All Of Whom Voted To Protect A Trump Rule Allowing Lenders To Avoid State Interest Rate Caps.

In addition to passing the VCFCA, policymakers can do more to expand affordable financial services to Black borrowers by addressing the dramatic decline in Minority Depository Institutions (MDIs)—which have fallen by over 30% since the 2008 financial crisis—and considering postal banking, which can help to "'close the racial wealth gap'" by providing a public alternative to predatory lenders.

Summary Tables

House Financial Services Committee Members Opposed To National Rate Cap:

Member of Congress	Contributions From Payday Lending Industry
Rep. Barry Loudermilk (R-GA)	$6,500
Rep. Blaine Luetkemeyer (R-MO)	$200,400
Rep. David Scott (D-GA)	$134,830
Rep. Bill Posey (R-FL)	$45,550
Rep. Roger Williams (R-TX)	$47,350
Rep. David Kustoff (R-TN)	$25,800
Rep. Warren Davidson (R-OH)	$14,500
Rep. Ted Budd (R-NC)	$9,750
Rep. Van Taylor (R-TX)	$26,700
Rep. William Timmons (R-SC)	$29,650
Total:	**$541,030**

Totals As of January 27, 2022

House Financial Services Committee Members In Support Of Trump Rent-A-Bank Rule:

Member of Congress	Contributions From Payday Lending Industry
Rep. Patrick McHenry (R-NC)	$178,399
Rep. Trey Hollingsworth (R-IN)	$32,250
Rep. Gregory Meeks (D-NY)	$177,850
Rep. Josh Gottheimer (D-NJ)*	$41,700
Rep. Frank Lucas (R-OK)	$40,200
Rep. John Rose (R-TN)	$53,300
Rep. Andy Barr (R-KY)	$68,627
Rep. Pete Sessions (R-TX)	$229,999
Rep. Bill Huizenga (R-MI)	$25,500
Rep. French Hill (R-AR)	$32,062
Rep. Ann Wagner (R-MO)	$85,300
Rep. Tom Emmer (R-MN)	$10,000
Rep. Bryan Steil (R-WI)	$4,500
Rep. Lee Zeldin (R-NY)	$10,323
Total:	**$990,010**

Totals As of January 27, 2022

**Rep. Gottheimer was reportedly lobbying House members to uphold the rule, before voting to repeal it.*

Senate Banking Committee Members Opposed To National Rate Cap:

Member of Congress	Contributions From Payday Lending Industry
Sen. Pat Toomey (R-PA)	$121,200
Sen. Jerry Moran (R-KS)	$30,500
Sen. Thom Tillis (R-NC)	$78,288
Sen. Jon Tester (D-MT)	$45,000
Total:	**$274,998**

Totals As of January 27, 2022

Senate Banking Committee Members In Support Of Trump Rent-A-Bank Rule:

Member of Congress	Contributions From Payday Lending Industry
Sen. Richard Shelby (R-AL)	$254,050
Sen. Mark Warner (D-VA)	$39,800
Sen. Mike Crapo (R-ID)	$162,150
Sen. Mike Rounds (R-SD)	$23,222
Sen. John Kennedy (R-LA)	$11,535
Sen. Bill Hagerty (R-TN)	$35,100
Sen. Kevin Cramer (R-ND)	$2,500
Sen. Steve Daines (R-MT)	$45,325
Total:	**$573,682**

Totals As of January 27, 2022

The Veterans And Consumers Fair Credit Act (VCFCA) Would Place A 36% APR Interest Rate Cap On Payday, Installment, Auto Title, And Other Consumer Loans.

The Veterans And Consumers Fair Credit Act (VCFCA), Which Would Extend The Military Lending Act's 36% APR Interest Rate Cap On All Payday, Installment, Auto Title, And Other Consumer Loans, Had Yet To Proceed Past Committee In The House And Senate As Of January 2022.

July 2021: Sens. Jack Reed (D-RI), Jeff Merkley (D-OR), Sherrod Brown (D-OH), and Chris Van Hollen (D-MD) Reintroduced The Veterans And Consumers Fair Credit Act (VCFCA), Which Would Cap All Consumer Loan Interest Rates At 36%. "In an effort to put a stop to abusive and predatory lending practices that target vulnerable consumers, U.S. Senators Jack Reed (D-RI), Jeff Merkley (D-OR), Sherrod Brown (D-OH), and Chris Van Hollen (D-MD), today led the reintroduction of legislation that would extend the protections of the Military Lending Act (MLA), which caps the annual percentage rate (APR) on consumer loans at 36 percent, to cover veterans and other consumers. [...] 'The Veterans and Consumers Fair Credit Act not only restores these Military Lending Act protections for Veterans and Gold Star families, but also ensures that all Americans are protected from financial exploitation.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 07/28/21]

- **The Bill, S.2508, Had Not Proceeded Past The Senate Banking Committee, As Of January 25, 2022.** [Congress.gov, accessed 01/25/22]

November 2021: The VCFCA Was Reintroduced In The House Financial Services Committee On A Bipartisan Basis, With Reps. Jesus "Chuy" Garcia (D-IL) And Glenn Grothman (R-WI) Serving As Original Sponsors. "The Veterans and Consumers Fair Credit Act (VCFCA) was reintroduced in the House Committee on Financial Services earlier this week. This bill would limit interest rates on loans and go a long way toward protecting consumers, including veterans, who are often victimized by predatory lenders. High-cost lenders set up shop in high concentrations outside military bases like 'bears on a trout stream,' according to experts. These lenders prey on young servicemembers who have low, but reliable, incomes." [U.S. PIRG, 11/17/21]

- **"The VCFCA Is Sponsored In The House By Reps. Jesus "Chuy" Garcia (D-IL) And Glenn Grothman (R-WI) […]."** [U.S. PIRG, 11/17/21]

- **The Bill, H.R. 5974, Had Not Proceeded Past The House Committee On Financial Services, As Of January 25, 2022.** [Congress.gov, accessed 01/25/22]

The VCFCA Would Extend The 2006 Military Lending Act's 36% APR Cap To Consumer Loans, Such As Payday, High-Cost Installment, And Auto Title Loans. "In 2006, Congress passed the Military Lending Act (MLA) to cap interest rates at 36 percent APR on predatory loans sold to active duty servicemembers. In 2015, the Department of Defense revised it to cover more products, such as credit cards. The VCFCA would extend MLA protections to all Americans. That 36 percent maximum interest rate would apply to many consumer loans, including payday and high-cost installment and auto title loans." [U.S. PIRG, 11/17/21]

Black Consumers Are Twice As Likely To Live Within A Mile Of A Payday Lender, Black Households Were Twice As Likely To Be Unbanked And Vulnerable To Predatory Lenders In 2019, And Nearly 40% Of Black Households Reported Using Alternative Financial Services—Including Payday, Pawn, And Auto Title Lenders—In 2017.

July 2021: 188 Consumer, Civil Rights, And Other Advocates Supported The VCFCA To Help Fight Predatory Lenders That "Target" Communities Of Color.

July 2021: 188 "Civil Rights, Community, Consumer, Faith, Housing, Labor, Legal Services, Senior Rights, Small Business, Veterans Organizations, And Academics" Called For Passage Of The VCFCA. "The undersigned 188 civil rights, community, consumer, faith, housing, labor, legal services, senior rights, small business, veterans organizations, and academics representing all 50 states and the District of Columbia write in strong support of the Veterans and Consumers Fair Credit Act, which would extend the Military Lending Act's 36% interest rate cap on consumer loans to all Americans, including veterans, Gold Star Families, and unactivated reservists." [National Consumer Law Center, 07/29/21]

The 188 Advocates' Letter Noted That Predatory Lending Targets Communities Of Color, Among Other Vulnerable Consumers, And That Payday Lenders Specifically "Target" Black Consumers, With "Black Consumers […] About Twice As Likely As White Consumers To Live Within A Mile Of A Payday Lender." "Predatory lenders target vulnerable consumers, including veterans, senior citizens, low- income consumers, rural consumers, and communities of color. These consumers have historically been excluded from mainstream financial services, and predatory lenders see that as an opportunity to target these communities. Several research studies have shown that payday lenders target communities of color, even when accounting for income. For example, Black consumers are about twice as likely as white consumers to live within a mile of a payday lender." [National Consumer Law Center, 07/29/21]

As Of July 2020, Black Consumers Were About Twice As Likely To Live Within A Mile Of A Payday Lender As White Consumers—A Consumer Advocate Called The Trend "'Reverse Redlining,'" Referring To Racial Lending Discrimination.

July 2020: A Morning Consult Poll Showed That Black Consumers Were About Twice As Likely As White Consumers To Live Within A Mile Of High-Cost Small-Dollar Lenders Such As Payday Lenders And Pawn Shops. "Black consumers about twice as likely than whites to live a mile from small-dollar lenders, data shows [...] As the Black Lives Matter movement highlights the ways that racial inequality is deeply etched in Black neighborhoods, financial policy and consumer advocates have been calling attention to the targeting of Black Americans by high-interest, short-term lenders, such as pawn shops and payday lenders, as one of the most pervasive." [Morning Consult, 07/23/20]

- **The Poll Found That 11% Of Black Adults Were Likely To Say They Live Within A Mile Of A Payday Lender, Compared To Only 5% Of White Adults Who Said So.** "New Morning Consult data highlights the ongoing issue that consumer advocates and some financial regulators are trying to address — the prevalence of high-cost, low-quality financial services in Black communities. Black adults (11 percent) are 6 points more likely to say they live within a mile of a payday lender than white adults (5 percent), according to the data. Black adults (15 percent) are 7 points more likely to say the same about a pawn shop, which can also be used as a quick but pricey way to get a small loan, compared to white respondents (8 percent)." [Morning Consult, 07/23/20]

The Chief Executive Of The National Community Reinvestment Coalition Called The Trend "'Reverse Redlining.'" "'Payday lenders and pawn shops are an extremely high-cost way to borrow money,' said Jesse Van Tol, chief executive of the National Community Reinvestment Coalition, a grassroots coalition that advocates for equal access to banking services, housing and other financial services. 'Targeting people of color for higher-cost products, it's what we call 'reverse redlining.'" [Morning Consult, 07/23/20]

- **The Term Redlining, Currently Synonymous With "Racial Discrimination Of Any Kind In Housing," Originated From Government Maps That Deemed Black Communities As Risky Investments.** "What is Redlining? [...] The term has come to mean racial discrimination of any kind in housing, but it comes from government maps that outlined areas where Black residents lived and were therefore deemed risky investments." [The New York Times, 08/17/21]

The Consumer Financial Protection Bureau (CFPB) Has Found That Alternative Financial Services Including Payday, Auto Title, And Pawn Loans Are "More Concentrated" Among Black Consumers.

May 2021: The Consumer Financial Protection Bureau (CFPB) Found That Alternative Financial Services (AFS)—Including Payday, Auto Title, And Pawn Loans—Are "More Concentrated" Among Black Consumers, Among Other Disadvantaged Populations. "Payday loans, auto title loans, and pawn loans are often called alternative financial services (AFS) because the typical lender is not a bank. These loans are typically for relatively low amounts—typically less than $1,000—high interest rates, and short durations—typically a month or less." [Consumer Financial Protection Bureau, May 2021]

- **Black Consumers Are Among Groups "More Concentrated" Within Overall Alternative Financial Services Users.** "AFS users are more concentrated among the age group between 40-61, consumers with at most a high school degree, Black and Hispanic consumers, low-income consumers, and women." [Consumer Financial Protection Bureau, May 2021]

Black Consumers Are More Likely To Rely On High-Cost Financial Services, An Unbanked Median Black Family Can Spend About $86,000 On Financial Fees Over A Typical 30-Year Career, And The Average Unbanked Family Spends More On Financial Transactions Than On Food.

Black Consumers Are "More Likely Than White People To Depend On High Interest Financial Services Like Check Cashing Counters And Payday Lenders" Due To A Lack Of Banks In Black Communities. "Black and Latino or Hispanic people are more likely than white people to depend on high interest financial services like check cashing counters and payday lenders because there are fewer banks in Black and Latino or Hispanic neighborhoods. Increasing access to banking services could save Black and Latino or Hispanic Americans up to $40,000 over their lifetime (Moise, 2019)." [Brookings Institution, 11/02/21]

An Unbanked Median Black Family Can Spend About $86,000 on Financial Fees Over A 30-Year Working Career—And The Average Unbanked Family Earning About $25,000 A Year Spends More On Financial Transactions Than They Do On Food. "'The average unbanked family with an annual income of around $25,000 will spend about $2,400 per year, almost 10 percent of its income, on financial transactions,' writes Mehrsa Baradaran in How the Other Half Banks. 'This is more than these families spend on food.' Over the course of a 30-year working career, being unbanked can cost the median Black family more than $86,000 in fees, representing twice their annual income." [American Civil Liberties Union, 03/18/21]

In 2019, The Average Interest Rate For A Payday Loan Was 391%, Compared To Only "10.3% For The Average Personal Loan From A Commercial Bank." "Payday loans, cash advance loans, check advance loans, post-dated check loans, and deferred deposit loans are short-term high interest rate loans provided by check cashers, finance companies, and others to a clientele that mainly consists of low- and moderate-income working people who have bank accounts, but who lack credit cards, have poor credit histories, or have reached their credit limit (Federal Trade Commission). According to the St. Louis Fed, in 2019 the average interest rate on the average payday loan is 391%, compared to 17.8% for the average credit card, and 10.3% for the average personal loan from a commercial bank." [Brookings Institution, 11/02/21]

Black Households Were Over Five Times As Likely To Be Unbanked Than White Households In 2019, Making Them More Vulnerable To Predatory Lenders And "Dangerous Debt Cycles."

Un- And Underbanking "Disproportionately Affect[s] Lower-Income Communities," Who Are More Vulnerable To "'Dangerous Debt Cycles'" And Lenders With "Questionable" Practices. "Because of the critical role that banks play in the American economy, underbanking has two serious effects that disproportionately affect lower-income communities: (1) underbanked populations resort to alternative financial services that can place these populations into 'dangerous debt cycles,' and (2) the lack of banking options for underbanked populations makes them more prone to engaging with financial service providers that abuse consumers with questionable lending practices." [Georgetown Law, 02/26/18]

2019: The Federal Deposit Insurance Corporation (FDIC) Found That 13.8% Of Black Households Were Unbanked, Compared To Only 2.5% Of White Households. "Specifically, 13.8 percent of Black households were unbanked in 2019, down from 16.8 percent in 2017 and 18.5 percent in 2015. Among Hispanic households, 12.2 percent were unbanked in 2019, down from 14.4 percent in 2017 and 16.3 percent in 2015.6 Despite the improvements in unbanked rates for Black and Hispanic households, unbanked rates in 2019 for these households remained substantially above the unbanked rate for White households (2.5 percent)." [Federal Deposit Insurance Corporation, 2019]

- **The Data Was Collected As Part of The Federal Deposit Insurance Corporation's (FDIC's) Biennial Survey Of Household Use Of Banking And Financial Services.** "The FDIC Survey of Household Use of Banking and Financial Services supports the FDIC's mission of maintaining public confidence in the U.S. financial system. Conducted biennially since 2009 partly in response to a statutory mandate, the survey is administered in partnership with the U.S. Census Bureau and collects information on bank account ownership, use of prepaid cards and nonbank financial transaction services, and use of bank and nonbank credit by U.S. households." [Federal Deposit Insurance Corporation, accessed 01/10/22]

Nearly 40% Of Black Households Used Alternative Financial Services Including Payday, Pawn, And Auto Title Loans In 2017, Compared To Just 15.5% Of White Households.

2017: The FDIC Found That 39.9% Of Black Households Had Used Alternative Financial Services Including Payday, Auto Title, And Pawn Loans, Compared To Just 15.5% Of White Households:

Table 6.2 Alternative Financial Services Use by Selected Household Characteristics and Year
For all households

Characteristics	2013 (Percent)	2015 (Percent)	2017 (Percent)	Difference (2017-2015)

[...]

Race/Ethnicity				
Black	46.1	42.2	39.9	-2.3*
Hispanic	40.3	38.5	36.0	-2.4*
Asian	18.6	22.3	18.0	-4.3*
White	18.1	17.3	15.5	-1.8*
Other	36.5	34.1	35.0	0.9

[Federal Deposit Insurance Corporation, 2017]

- **The FDIC Included Payday, Auto Title, And Pawn Loans In Its Definition Of Alternative Financial Services.** "As in earlier surveys, the 2017 survey asked households about their use of alternative financial services (AFS) during the past 12 months. Households were asked if they went to a place other than a bank to purchase a money order, cash a check, or send an international remittance (transaction AFS). Households were also asked whether they used any of the following nonbank products and services that may be used in lieu of bank credit: payday loans, refund anticipation loans, rent-to-own services, pawn shop loans, and auto title loans (credit AFS)." [Federal Deposit Insurance Corporation, 2017]

**Note: The Most Recent FDIC Report To Include Alternative Financial Services Data By Race Was In 2017.*

Alternatives To High-Cost Lending Include Addressing The Dramatic Decline In Minority Depository Institutions—Which Have Dramatically Fallen In Number Since The 2008 Recession And Banks In Black Areas Were More Likely To Close In The Wake Of The Pandemic—And Postal Banking, Which Can Help "'Close The Racial Wealth Gap'" By Providing Affordable Basic Financial Services.

Minority Depository Institutions, Which Are "'One Of The Most Effective Capillary Systems'" For Expanding Economic Opportunity In Communities Of Color, Have Dramatically Fallen In Number Since The 2008 Recession And Bank Branches In Black Areas Were 50% More Likely To Close In The Wake Of The Pandemic.

Minority Depository Institutions (MDIs) Are "Federal Insured Depository Institutions" In Which Either "51 Percent Or More Of The Voting Stock Is Owned By Minority Individuals" Or "A Majority Of The Board Of Directors Is Minority And The Community That The Institution Serves Is Predominantly Minority." "The FDIC's Statement of Policy Regarding Minority Depository Institutions (MDIs) outlines two definitions of how FDIC-insured commercial banks and savings associations may qualify for MDI status. An MDI may be a federal insured depository institution for which (1) 51 percent or more of the voting stock is owned by minority individuals; or (2) a majority of the board of directors is minority and the community that the institution serves is predominantly minority. Ownership must be by U.S. citizens or permanent legal U.S. residents to be counted in determining minority ownership." [FDIC, accessed 01/21/22]

A Minority Bank Advocate Said, "'What's Been Proven Over And Over Again Is That The MDI Sector Is One Of The Most Effective Capillary Systems To Providing Economic Development And Opportunities To Communities Of Color.'" "'What's been proven over and over again is that the MDI sector is one of the most effective capillary systems to providing economic development and opportunities to communities of color,' said Kim Saunders, managing director of the Keeper's Fund and a longtime advocate for getting capital into minority banks. 'It's clear there's a need for capital, scaling and capacity-building, and that's our focus.'" [American Banker, 01/10/22]

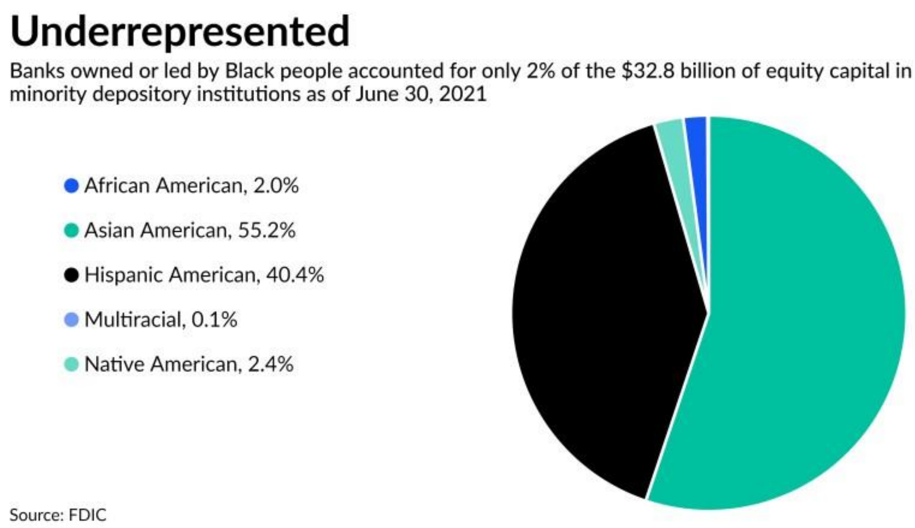
From 2008 To 2022, U.S. Minority-Owned Banks Have Fallen From 215 To 146. "At the moment the Great Recession hit in 2008, America boasted 215 minority-owned banks. Today, only 146 so-called 'minority depository institutions' remain. That decline, a trend that might be termed 'The Great Winnowing,' began well before the bottom fell out of the nation's housing market, and it reflects, in part, a broader trend toward consolidation within the world of finance." [Politico, 01/19/22]

As Many As 20,000 Bank Branches Were Expected To Close As A Result Of The Pandemic, And Branches In Majority-Black Areas Were About 50% More Likely To Close Than Branches In Other Parts Of The Country. "Some analysts expect as many as 20,000 additional branch closures in the immediate aftermath of the COVID pandemic. Branches in majority-Black areas, in particular, were roughly 50 percent more likely to close than those in the rest of America. As a result, 63 percent of majority-Black census tracts do not have an active bank branch; 17 percent of Black Americans are unbanked; and 30 percent of Black Americans are underbanked." [American Civil Liberties Union, 03/18/21]

Black-Owned And Black-Led Banks Held Just 2% Of The Equity Capital Held By All MDIs, And They Had Limited Access To An $8.7 Billion COVID MDI Relief Fund That Received $4 Billion More In Funding Requests Than It Could Fill.

As Of June 2021, Black-Owned And Black-Led Banks Held Just 2% Of The $32.8 Billion In Equity Capital Held By All MDIs. "Minority depository institutions and CDFIs, which provide critical banking services in underserved communities, have long struggled to get access to capital. As of June 30, 2021, when equity capital for all MDIs totaled $32.8 billion, Black-owned and Black-led banks had just $652 million in equity capital, or about 2% of the total, according to FDIC data. At the end of the second quarter, only about $1 out of every $3,500 in equity capital in the U.S. banking system was at a bank owned or led by African Americans." [American Banker, 01/10/22]

- **Undercapitalization Limits MDIs' And Community Development Financial Institutions' (CDFIs') Ability To Make Loans And Make Investments To Compete With Larger Banks.** "As a result of their undercapitalization, MDIs and CDFIs have had limited ability to make mortgage loans and small-business loans, invest in technology and compete with larger, better-capitalized banks." [American Banker, 01/10/22]



[American Banker, 01/10/22]

The $2.3 Trillion COVID-19 Relief Bill That Passed In December 2020 Included The Emergency Capital Investment Program (ECIP), Which Provided $8.7 Billion In Funding For MDIs And CDFIs To Help Low-Income And Minority Consumers And Small Businesses. "Meanwhile, federal lawmakers were considering ways to help low-income communities and communities of color that were hit hard by the pandemic. In July 2020, Democratic Sens. Mark Warner and Cory Booker, then-Sen. Kamala Harris and Senate Majority Leader Chuck Schumer introduced a bill that would provide $12 billion of capital, liquidity and operational capacity to MDIs and CDFIs that serve those neighborhoods. That legislation was ultimately part of the $2.3 trillion

COVID-19 relief bill that passed in December 2020. The Treasury Department launched the Emergency Capital Investment Program three months later. The program known as ECIP is an ambitious — and unprecedented — initiative to provide access to capital to communities that historically have been excluded from the financial system and suffered disproportionate levels of hardships during the pandemic. ECIP will provide $8.7 billion in loans, grants and forbearance options directly to 186 MDIs and CDFIs, including both banks and credit unions, which will then direct the funding into small and minority businesses and consumers in low-income communities." [American Banker, 01/10/22]

- **ECIP Received "$4 Billion More In Requests Than It Could Fulfill."** "Treasury noted that a total of 204 banks, credit unions and savings and loan holding companies applied for investments of $12.9 billion — meaning that ECIP received $4 billion more in requests than it could fulfill. 'What we ended up seeing was way over-subscription for that $9 billion,' Betru said. The strong demand tells the organizers of Keeper's Fund, the Black Bank Fund and the Mission-Driven Bank Fund, all of which are relatively new to the market, that there is still a substantial need for capital." [American Banker, 01/10/22]

- **Some Black Banks Did Not Receive ECIP Funding.** "'There are some Black banks that did not receive ECIP [funding], so our goal is to figure out how to help them remain viable,' Bell said. "For those who have it, it's a great opportunity, but for those who don't, there has to be a safety valve there to make sure they are able to serve their communities." [American Banker, 01/10/22]

Rep. Ayanna Pressley (D-MA) Has Promoted Postal Banking As A Way To Help "'Close The Racial Wealth Gap,'" Noting That 50% Of Black And Latinx Communities Are Un- Or Underbanked And Must Rely On High-Cost, Predatory Lenders For Basic Financial Services.

February 2021: Rep. Ayanna Pressley (D-MA) Advocated Offering Basic Financial Services Through The United States Postal Service, Noting That It Would Help To "'Close The Racial Wealth Gap.'" "'If post offices offered financial services, such as money transfers, bill payment and check cashing, our nation would take a significant step toward closing the racial wealth gap.' [...] In a House Oversight Committee hearing yesterday, Congresswoman Ayanna Pressley (MA-07) discussed how postal banking would help the United States Postal Service (USPS) raise revenue while working to close the racial wealth gap." [Rep. Ayanna Pressley, 02/25/21]

Rep. Pressley Said "'An Estimated One In Four People In America Are Unbanked Or Underbanked, Including 50% Of Black And Latinx Communities, Resulting In Thousands Of Dollars In Fees And Reliance On Predatory Check Cashing Services And Payday Loans.'" "Postal banking presents a unique opportunity to simultaneously increase revenue for the U.S. Postal Service while advancing economic justice. An estimated one in four people in America are unbanked or underbanked, including 50% of Black and Latinx communities, resulting in thousands of dollars in fees and reliance on predatory check cashing services and payday loans. This burden disproportionately falls on communities of color. 60% of majority-Black census tracts do not have an active bank branch. These banking deserts, however, do have post offices. If post offices offered financial services such as money transfers, bill payment and check cashing, our nation would take a significant step toward closing the racial wealth gap." [Rep. Ayanna Pressley, 02/25/21]

10 House Financial Services Committee Members Explicitly Opposed To The Rate Cap Have Taken At Least $541,030 From The Payday Lending Industry.

Rep. Barry Loudermilk (R-GA)—Who Has Taken At Least $6,500 From Payday Lenders—Claimed That A 36% Rate Cap Would Be "Devastating" To His Constituents While Repeatedly Echoing A Study By Former Installment Lender Trade Group Economist Thomas Durkin, Who Was Also On A Trump-Era CFPB Task Force That Violated Agency "'Sunshine'" Laws.

Rep. Barry Loudermilk (R-GA) Has Taken At Least $6,500 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Loudermilk Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

July 2021: Rep. Loudermilk Issued Testimony For The U.S. Senate Banking Committee Hearing On "'Extending The Military's 36% Interest Rate Cap To Everyone'" Where He Claimed That A Rate Cap Would Be "Devastating To My Constituents." "Statement by Congressman Barry Loudermilk (GA-11) before the U.S. Senate Committee on Banking, Housing, and Urban Affairs Hearing titled: “Protecting Americans from Debt Traps by Extending the Military's 36% Interest Rate Cap to Everyone” [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 07/29/21]

- **Loudermilk Claimed, "A National 36% Interest Rate Cap Would Be Devastating To My Constituents And Would Harm The Very People It Is Intended To Help."** "My district is in northwest Georgia and is a snapshot of all different types of American life: urban and rural, high income and low income, families who have been in Georgia for five generations and immigrants who have just arrived in America for the first time. I am here to tell you that a national 36% interest rate cap would be devastating to my constituents and would harm the very people it is intended to help." [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 07/29/21]

Loudermilk Claimed That His Opposition To The National Rate Cap Was Not "Rooted In A Desire To Protect Payday Lenders," But In His Desire To Protect "Installment Loans Or Any Other Type Of Short Term, Small Dollar Credit." "I should also take a moment to dispel the commonly stated myth that opposition to a national interest rate cap is rooted in a desire to protect payday lenders. Georgia has an outright ban on payday lending, so that has nothing to do with my opposition to this bill. Instead, my constituents have been fortunate to access affordable personal loans thanks to the growth of bank-fintech partnerships and nationwide online lending programs. But if this bill becomes law, my constituents will not have access to installment loans or any other type of short term, small dollar credit." [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 07/29/21]

Rep. Loudermilk's Statement Cited A Study By Thomas Durkin, Former Chief Economist For Installment Lending Trade Group The American Financial Services Association, Claiming That The Break-Even Amount For A 36% Loan Is $2,600. "That is not a hypothetical– that is reality. To break even on a $2,600 loan, factoring in losses and the costs of producing the loan, lenders have to charge a 36% APR. [...] https://www.mercatus.org/system/files/mercatus-durkin-installment-cash-lending-v1.pdf" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 07/29/21]

- **Rep. Loudermilk's Citation Linked To A Paper By Thomas A. Durkin Titled "Baggage Of Consumer Installment Lending."** [Mercatus Center, George Mason University, December 2016]

- **Thomas Durkin Has Been “Chief Economist” For The American Financial Services Association (AFSA), “The Largest Trade Association Representing Installment Lenders.”** “Thomas Durkin has specialized in the economics and regulation of consumer financial services, in the federal government as Senior Economist at the Federal Reserve Board, in the academic area as Associate Professor of Finance at the Pennsylvania State University, and in the private sector as Chief Economist of the American Financial Services Association.” [Oxford University Press, accessed 01/10/20]

- **AFSA Is "The Largest Trade Association Representing Installment Lenders."** "The largest trade association representing installment lenders, the American Financial Services Association (AFSA), reports that its members' payments average $120." [Pew Charitable Trusts, 10/17/18]

At A February 2020 Hearing, Rep. Loudermilk (R-GA) Repeated The Claim That "A 36 Percent National Interest Rate Cap Would Effectively Eliminate Loans" Under $2,600. "Mr. LOUDERMILK [...] Regarding another issue which we are talking about, a national interest rate cap, here is a concern I have. The small-dollar loans are a big problem. Forty percent of Americans can't afford a $2,500 emergency that they have. They need access to credit. The problem we have, as a George Washington University study indicated, is that the break-even APR of a $2,600 loan is 36 percent. That is the break-even APR, which means if you are going to borrow below that, you need to have some higher interest rates. Right? So a 36 percent national interest rate cap would effectively eliminate loans under this amount." [U.S. House Committee on Financial Services, 02/05/20]

Thomas Durkin Was Also A Member Of The Trump-Era Consumer Financial Protection Bureau's (CFPB's) Taskforce On Federal Consumer Financial Law, Which Was Found To Be In Violation Of Agency "'Sunshine'" Laws . [Consumer Financial Protection Bureau, January 2020]

- **January 2022: The CFPB Settled A Lawsuit Alleging That The Taskforce On Federal Consumer Financial Law Was In Violation Of The Federal Advisory Committee Act (FACA), A "'Sunshine'" Law For Agency Advisory Committees.** "Today, the Consumer Financial Protection Bureau (CFPB) announced it has settled a lawsuit filed by the National Association of Consumer Advocates, U.S. Public Interest Research Group, and Professor Kathleen Engel. The lawsuit alleged that the Taskforce on Federal Consumer Financial Law did not comply with the Federal Advisory Committee Act (FACA). FACA is a 'sunshine' law that seeks to ensure that there is adequate transparency into agency advisory committees." [Consumer Financial Protection Bureau, 01/14/22]

Rep. Blaine Luetkemeyer (R-MO) Has Taken At Least $200,400 From Payday Lenders And Argued That Basing A Rate Cap On APR Was "A Misleading Measurement."

Rep. Blaine Luetkemeyer (R-MO) Has Taken At Least $200,400 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Luetkemeyer Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Luetkemeyer Said National Rate Cap Proponents "Want To Eliminate The Ability For Non-Bank Entities To Offer Small-Dollar Loans" While Arguing That Basing A Rate Cap On APRs Was "A Misleading Measurement Of Any Loan Under A Year." "Mr. LUETKEMEYER. [...] If that wasn't enough, the Majority is considering legislation to enact an APR rate cap on all loans. Using an APR, in my opinion, is a misleading measurement of any loan under a year in length, and only serves to hide the true cost of a small-dollar loan from consumers. Where is the transparency in that? On one hand, my colleagues are attempting to eliminate bank involvement in small-dollar lending, pushing consumers into less-regulated spaces, and on the other hand, they want to eliminate the ability for non-bank entities to offer small-dollar loans." [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Rep. David Scott (D-GA) Has Taken At Least $134,830 From Payday Lenders And Argued That Rate Caps Can "Reduce Overall Credit Supply" And Would Make Consumers Take Out Larger Loans.

Rep. David Scott (D-GA) Has Taken At Least $134,830 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Scott Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Scott Claimed That "Binding Interest Rate Caps Below Market Values Can Reduce Overall Credit Supply" And That A Rate Cap Could Make Consumers "Take Out A Larger Loan Than They Need." "Mr. SCOTT [...] I call your attention to a 2018 study by the World Bank that found that binding interest rate caps below market values can reduce overall credit supply. I am sure you may be familiar with that. A separate study, looking at the experience in Chile, found that the impact was felt most profoundly by the youngest, least educated, and poorest families, the very families that you and I both are concerned about. And also let me add this. Because the underwriting costs are strained by the rate cap, the lender must make larger loans in order to make the loan profitable. This means that consumers may take out a larger loan than they need, which can place our consumers in a financially precarious position." [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Rep. Bill Posey (R-FL) Has Taken At Least $45,550 From Payday Lenders And Suggested That A Rate Cap "Hurts Those Whom They Seek To Protect" By Restricting Credit Supply.

Rep. Bill Posey (R-FL) Has Taken At Least $45,550 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Posey Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Posey Suggested That A Rate Cap "Restricts The Supply Of The Good Or Service And Actually Hurts Those Whom They Seek To Protect." "Mr. POSEY. Thank you, Mr. Chairman. Our topic today illustrates one of the great paradoxes of regulations. On the one hand, our government has sought to regulate prices to protect consumers, only to find out that doing that restricts the supply of the good or service and actually hurts those whom they seek to protect. And, in an everyday perspective, a lot of consumers would jump for joy if Congress passed a law that said you couldn't charge over $1 a gallon for gasoline. A lot of people would be really excited and say, 'You really did the right thing.' But we know what would happen, don't we? You would have zero gasoline. And so, is it better to pay more than $1 for a gallon of gasoline or not have any gasoline?" [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Rep. Roger Williams (R-TX) Has Taken At Least $47,350 From Payday Lenders And Argued Against A Rate Cap By Quoting A Study That Said "'We Should Allow Capitalism And The Free Market To Determine The Price Of Obtaining Credit.'"

Rep. Roger Williams (R-TX) Has Taken At Least $47,350 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Williams Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Williams Quoted A Study Claiming That "'Rather Than Increase Government Intervention With A National Rate Cap, We Should Allow Capitalism And The Free Market To Determine The Price Of Obtaining Credit.'" "Mr. WILLIAMS [...] Thank you, Mr. Chairman. Interest rates are the price of obtaining credit. I am a small-business owner in Main Street America. I have been in business for 50 years and have never had one day in my business life that I have been out of debt. [...] Tom Miller, of Mississippi State University, stated, 'Although a 36 percent interest rate might sound high and profitable, personal installment loans are profitable at that rate only if the loan exceeds a certain size threshold. If we set a national rate cap at 36 percent, many of those innovative products that are filling a need for many people in our economy, would no longer be profitable and would cease to exist. 'Rather than increase government intervention with a national rate cap, we should allow capitalism and the free market to determine the price of obtaining credit. This is called competition.'" [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Williams Added, "This Issue Is About Personal And Financial Freedom" And Claimed That A Rate Cap Suggests That "The Government Knows Your Financial Situation Better Than You Do." "Mr. WILLIAMS [...] This issue is about personal and financial freedom. If we, in Congress, set an arbitrary rate cap on what we think is too high an APR, we are limiting customer choice and saying that the government knows your financial situation better than you do. Unfortunately, some of my colleagues seem to believe that if we legislate high APR loans out of the marketplace, the demand for these products will simply go away." [U.S. House Committee on Financial Services, 02/05/20]

Rep. David Kustoff (R-TN) Has Taken At Least $25,800 From Payday Lenders And Complained That Interest Rate Caps Limit How Much "A Lender Can Recoup From Making A Loan."

Rep. David Kustoff (R-TN) Has Taken At Least $25,800 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Kustoff Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Kustoff Suggested That Usury Laws "Set A Cap On The Price That A Lender Can Recoup From Making A Loan." "Mr. KUSTOFF. Thank you. So as far as usury laws are concerned, they essentially set a cap on the price that a lender can recoup from making a loan, unless, of course, the lender gets into fees and other charges. Can you talk about how those laws affect the incentives to lend in a given market?" [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

- **"Usury Laws Are Regulations Governing The Amount Of Interest That Can Be Charged On A Loan."** [Investopedia, accessed 01/21/22]

Rep. Warren Davidson (R-OH) Has Taken At Least $14,500 From Payday Lenders And Suggested That A Rate Cap Would Create A Black Market For Lending.

Rep. Warren Davidson (R-OH) Has Taken At Least $14,500 From The Payday Lending Industry, As Of January 21, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Davidson Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Davidson Suggested That A Rate Cap Would "Restrict The Supply Of Lending" And Create Black Markets For Lending. "Mr. DAVIDSON. Thank you, Mr. Chairman. And thank you to our witnesses. I appreciate your efforts to make sure we get this right. Mr. Knight, I think you said it perhaps best, that Congress could enact legislation that would restrict the supply of lending, but we wouldn't be able to dramatically affect the demand. And so, what happens when we have big disconnects between supply and demand? Normally black markets form, right? So, we have large black markets all around the United States, it is a significant part of U.S. GDP, and a lot of that is attributable to broken market systems. And some of those are the result of legislation. So could you highlight how a rate cap would do just that, limit supply without checking demand?" [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Rep. Ted Budd (R-NC) Has Taken At Least $9,750 From Payday Lenders And Argued That A Rate Cap Would Make Consumers Turn To "Unregulated Credit."

Rep. Ted Budd (R-NC) Has Taken At Least $9,750 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Budd Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Budd Suggested That Consumers Will Turn To "Unregulated Credit" If A 36% Rate Cap Were Enacted. "Mr. BUDD. [...] So here is my question, Mr. Knight. If we cap the interest rates at 36 percent, what is going to happen to access for credit for the unbanked and the underbanked folks across our country? Will their need for credit just magically disappear, or is it more likely they will turn to unregulated credit if regulated creditors turn them down?" [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Rep. Van Taylor (R-TX) Has Taken At Least $26,700 From Payday Lenders And Has Suggested That A Rate Cap Would "Drive Up Prices" And Make Lending "More Expensive."

Rep. Van Taylor (R-TX) Has Taken At Least $26,700 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Taylor Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

February 2020: Rep. Taylor Suggested That "Regulatory Burdens On Lenders" Would "Drive Up Prices" And Make Lending "More Expensive." "Mr. TAYLOR. Right. And if we put lots of regulatory burdens on lenders and make it really difficult to lend, then we are actually making fewer competitors, and that, in turn, should drive up prices and make the margins higher. If it is harder to do, it gets more expensive, as a general rule of thumb." [U.S. House Committee on Financial Services, 02/05/20]

- **February 5, 2020: The U.S. House Committee On Financial Services Held A Hearing On "Rent-A-Bank Schemes And New Debt Traps: Assessing Efforts To Evade State Consumer Protections And Interest Rate Caps."** [U.S. House Committee on Financial Services, 02/05/20]

Rep. William Timmons (R-SC) Has Taken At Least $29,650 From Payday Lenders, Has Raised Skepticism Toward A 36% Rate Cap, And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. William Timmons (R-SC) Has Taken At Least $29,650 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Timmons Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Timmons Raised Skepticism Toward A 36% Rate Cap By Asking How Lenders "Could Feasibly Provide This Kind Of Short-Term, Small-Dollar Loan On A Sustainable Basis" Under Such A Cap. "Last week, CEOs from the largest U.S. banks testified before the Senate Banking and House Financial Services Committees about several topics, including proposals for a federal 36% rate cap on all loans. [...] The next day before the House Financial Services Committee, representatives from both JPMorgan and Citigroup provided a different and more specific take on APR rate caps. Congressman William Timmons (R-SC) asked the CEOs about access to small-dollar credit for consumers. JPMorgan CEO Jamie Dimon, said, 'It's impossible to do loans like that and make a profit. That's precisely why we don't do it. And there's no safe harbor, it doesn't affect us. So, I'm not going to fight that [rate cap bill].'" [American Financial Services Association, 06/02/21]

- **Timmons Asked JPMorgan CEO Jamie Dimon, "So Tell Me How Financial Services Operators Could Feasibly Provide This Kind Of Short-Term, Small-Dollar Loan On A Sustainable Basis."** [U.S. House Committee on Financial Services via YouTube, 05/27/21 (04:03:21)]

April 2020: Rep. Timmons Signed A Letter Asking The Trump Administration To Let Payday Lenders Access The Paycheck Protection Program, A Pandemic Relief Fund. "A bipartisan group of lawmakers is pressing the Trump administration to let payday lenders gain access to small business rescue money, going to bat for companies that have been accused of engaging in predatory behavior toward lower-income people. [...] In a letter signed by 24 House Republicans and four Democrats, lawmakers asked the Treasury Department and Small Business Administration to open up Paycheck Protection Program loan applications to 'small-size nonbanks,' including installment lenders and so-called community development financial institutions, which focus their lending on underserved populations. Payday lenders weren't explicitly mentioned, but a spokesperson for Rep. Blaine Luetkemeyer (R-Mo.), one of the lawmakers who led the letter, confirmed the intent was to include them in the request." [Politico, 04/24/20]

- **Rep. William Timmons Signed The Letter.** [Letter from Rep. Ted Budd et al. to Administrator Jovita Carranza and Secretary Steven T. Mnuchin, 04/23/20]

- **High-Cost Lenders, Including Payday Lenders, And Debt Collectors Received About $580 Million From The Paycheck Protection Program, As Of January 2021.** "Those were just two of more than 1,800 loans that went to debt collectors and high-interest lenders through the Paycheck Protection Program, according to an analysis by The Washington Post. In all, the aid to these businesses amounted to more than $580 million." [The Washington Post, 01/15/21]

14 Other House Financial Services Committee Members Have Taken Nearly $1 Million From Payday Lenders And Supported A Trump Rule To Allow Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes.

House Financial Services Committee Ranking Member Rep. Patrick McHenry (R-NC) Has Taken At Least $178,399 From Payday Lenders, Has Called Small-Dollar Loans "A Lifeline For Millions Of Americans," And Introduced A Bill To Allow Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes

Rep. Patrick McHenry (R-NC) Has Taken $178,399 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **McHenry Is The Ranking Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

July 2020: McHenry Called Small-Dollar Loans "A Lifeline For Millions Of Americans" As He Praised Then-Consumer Financial Protection Bureau Director Kathy Kraninger For Rolling Back Obama-Era Payday Loan Protections. "Mr. McHenry. [...] You have increased clarity in the market for consumer lending. One example is the Bureau's recent rulemaking to revise the 2017 small-dollar lending rule. We know that small-dollar loans are a lifeline for millions of Americans in need. They help consumers cover unexpected expenses or income shortfalls during periods of economic stress, like we are currently experiencing now." [House Committee on Financial Services, 07/30/20]

- **July 30, 2020: The House Financial Services Committee Held A Hearing With Then-CFPB Director Kathy Kraninger.** [House Committee on Financial Services, 07/30/20]

- **2019: The Trump Consumer Financial Protection Bureau Rolled Back Obama-Era Protections Against Payday Loans.** "The Trump administration on Wednesday rolled back protections set to make payday loans less risky for borrowers, which could affect millions of young people: Almost 10 million millennials have taken out one of these high-interest, short-term loans in the past two years. The Consumer Financial Protection Bureau, the government agency tasked with regulating financial companies, said it plans to abandon Obama-era payday loan stipulations that would require lenders to ensure borrowers could repay their loans before issuing cash advances." [CNBC, 02/06/19]

July 2017: Rep. McHenry Introduced H.R. 3299, The Protecting Consumers' Access To Credit Act Of 2017, Which Would Have Allowed Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. [Congress.gov, accessed 01/25/22]

- **H.R. 3299 "Would Allow Payday Lenders, High-Cost Online Lenders, And Other Predatory Lenders To Partner With Banks To Make Loans That Surpass Existing State Interest Rate Limits"—An Arrangement Known As "'Rent-A-Bank.'"** "The Protecting Consumers' Access to

Credit Act of 2017 (H.R. 3299 and S. 1624) would allow payday lenders, high-cost online lenders, and other predatory lenders to partner with banks to make loans that surpass existing state interest rate limits. This legislative scheme would legalize payday lenders to charge triple-digit interest rates, despite state laws banning them. Some term this financial switch as innovation for "fintech," a recently coined term that smacks of the 21st Century's tech focus, but in everyday terms, these actions are a renewed effort for an old scheme known as 'rent-a-bank.'" [The Atlanta Voice, 11/24/17]

- **Critics Said The Bill Would Revive Payday Lending In North Carolina, Which Banned The Practice In 2001.** "Before North Carolina outlawed payday lending in 2001, credit counselor Celeste Collins often worked to help people buried in debt with payments due weekly on three to five loans. [...] Collins and many other consumer advocates say a bill passed by the U.S. House will bring those problems back to North Carolina, reversing a years-long effort to rid the state of lending companies that make short-term loans essentially secured by the borrower's paycheck. But bill sponsor Rep. Patrick McHenry, a Lincoln County Republican whose district includes Asheville, says that's just not true." [Citizen-Times, 02/19/18]

Rep. Trey Hollingsworth (R-IN) Has Taken At Least $32,250 From Payday Lenders, Cosponsored A Bill To Allow Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes, And Introduced Legislation To End An Obama-Era Prohibition Against Bank Deposit Advance Loans, Which Had An Average APR Of About 365%.

Rep. Trey Hollingsworth (R-IN) Has Taken At Least $32,250 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Hollingsworth Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

2018: Rep. Hollingsworth Introduced The Ensuring Quality Unbiased Access to Loans (EQUAL) Act, Legislation To Nullify Obama Administration Guidance That "Effectively Prohibited" Expensive Deposit Advances, Banks' "Equivalent Of A Payday Loan." "In Congress, Rep. Trey Hollingsworth (R-IN) recently introduced the Ensuring Quality Unbiased Access to Loans Act. The EQUAL Act would nullify guidance issued by former President Obama's Federal Deposit Insurance Corporation that effectively prohibited deposit advance products. Deposit advance was a bank's equivalent of a payday loan—an advance from the bank on a customer's incoming paycheck. While these loans were relatively expensive, they were about one-third cheaper than the average payday loan." [Competitive Enterprise Institute, 03/23/18]

- **A 2012 Report Found That Banks' Deposit Advance Loans Had An Average APR Of 365%.** "The report found that advance loans issued by the banks carried an average term of 10 days, with a fee of $10 per $100 borrowed (amounting to a 365% APR), and customers remained stuck in the loan cycle -- meaning they owed money to the bank -- for an average 175 days per year." [CNN, 03/07/12]

Rep. Hollingsworth Cosponsored H.R. 3299, The Protecting Consumers' Access To Credit Act Of 2017, Which Would Have Allowed Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. [Congress.gov, accessed 01/25/22]

- **H.R. 3299 "Would Allow Payday Lenders, High-Cost Online Lenders, And Other Predatory Lenders To Partner With Banks To Make Loans That Surpass Existing State Interest Rate Limits"—An Arrangement Known As "'Rent-A-Bank.'"** "The Protecting Consumers' Access to Credit Act of 2017 (H.R. 3299 and S. 1624) would allow payday lenders, high-cost online lenders, and other predatory lenders to partner with banks to make loans that surpass existing state interest rate limits. This legislative scheme would legalize payday lenders to charge triple-digit interest rates, despite state laws banning them. Some term this financial switch as innovation for “fintech,” a recently coined term that smacks of the 21st Century’s tech focus, but in everyday terms, these actions are a renewed effort for an old scheme known as 'rent-a-bank.'" [The Atlanta Voice, 11/24/17]

Rep. Gregory Meeks (D-NY) Has Taken At Least $177,850 From Payday Lenders And Has Introduced Legislation To Allow Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes.

Rep. Gregory Meeks (D-NY) Has Taken At Least $177,850 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Meeks Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

2017: Rep. Meeks Introduced Legislation To Reinforce The "'Valid When Made'" Legal Doctrine That Enabled Payday And Other High-Cost Lenders To Partner With National Banks To Offer Annual Interest Rates Of Over 100%. "In addition to Sherman, one can assume that Chairman of the Subcommittee on Consumer Protection and Financial Institutions Gregory Meeks (D-NY) would also be against the interest rate cap, given he cosigned legislation in 2017 that would have reinforced the 'valid-when-made' legal doctrine, with respect to interest rates." [Competitive Enterprise Institute, 02/13/20]

- **The "Valid When Made" Doctrine Was Central To "Rent-A-Bank" Schemes That Allowed Non-Bank Lenders To Partner With Nationally Chartered Banks To Lend At Annual Interest Rates Of Over 100%.** "In response to those state rules, however, some non-bank lenders have teamed with nationally chartered banks in the few remaining states without interest-rate caps — Utah, for example — to continue peddling loans with interest rates well above 100% per year to borrowers nationwide. Under these 'rent-a-bank' arrangements, the non-bank lender will do the marketing (often online), attract customers and approve loans, which it will send to its bank partner to fund — and then the bank will sell the loans to the non-bank lender, collecting a profit and wiping its hands clean of the transaction. The non-bank lender then collects the payments; its banking partner is little more than a vault it dips into for cash. At issue here is who the lender really is. Under the longstanding 'valid when made' doctrine, a loan made validly by a bank under one state’s rules can be sold to an entity in another state and still be considered valid, even if the loan’s terms don’t comply with the other state’s rules. But consumer advocates argue persuasively that rent-a-bank schemes are the sort of evasion that courts have been rejecting for more than a century. The bank isn’t the true lender in these transactions, the non-bank lender is." [Los Angeles Times, 05/11/21]

- **July 2017: Rep. Meeks Introduced H.R. 3299, The Protecting Consumers’ Access to Credit Act of 2017 Alongside Rep. Patrick McHenry (R-NC).** "Reps. Meeks and McHenry Introduce H.R. 3299 to Encourage Financial Innovation and Protect Consumers Access to Credit [...] The Protecting Consumers’ Access to Credit Act of 2017, reaffirms a 200 year old legal principle, which states that if a loan is legal with respect to its interest rate, it cannot be invalidated if it is subsequently sold to a third party." [Rep. Gregory Meeks via Archive.org, 07/20/17]

- **H.R. 3299 "Would Allow Payday Lenders, High-Cost Online Lenders, And Other Predatory Lenders To Partner With Banks To Make Loans That Surpass Existing State Interest Rate Limits."** "The Protecting Consumers’ Access to Credit Act of 2017 (H.R. 3299 and S. 1624) would allow payday lenders, high-cost online lenders, and other predatory lenders to partner with banks to make loans that surpass existing state interest rate limits. This legislative scheme would legalize payday lenders to charge triple-digit interest rates, despite state laws banning them." [The Atlanta Voice, 11/24/17]

Rep. Josh Gottheimer (D-NJ) Has Taken At Least $41,700 From Payday Lenders And Reportedly Lobbied Other House Members Against Repealing A Trump-Era Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes.

Rep. Josh Gottheimer (D-NJ) Has Taken At Least $41,700 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Gottheimer Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Gottheimer Was Reportedly Lobbying House Colleagues To Vote Against A Resolution To Undo The Trump Administration's "'True Lender'" Rule, Which Allowed Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes—However, Gottheimer Ultimately Voted For The Resolution, Which Became Law. "The House returns to session this week, and in a rare twist, a handful of Senate-passed measures await action. The upper chamber advanced three 'resolutions of disapproval' under a statute called the Congressional Review Act (CRA), allowing Congress to nullify certain executive branch regulations. The three resolutions, respectively, would eliminate weak Trump-era standards regulating methane emissions, take down Equal Employment Opportunity Commission rules that put up barriers to credible worker discrimination claims, and roll back the Office of the Comptroller of the Currency's (OCC) 'true lender' rule, which allows predatory lenders to evade state interest-rate caps. [...] Critically, according to six sources with knowledge of the situation, Rep. Josh Gottheimer (D-NJ), a bank-friendly member of the House Financial Services Committee, has been lobbying colleagues to vote against the true lender resolution, threatening passage and potentially subjecting thousands of consumers to usurious interest rates. With Gottheimer leading the opposition, and thin Democratic majorities in the House, just a handful of members, if no Republicans come aboard, could bring the resolution down. [...] It's sometimes called a 'rent-a-bank' scheme." [The American Prospect, 06/07/21]

- **June 24, 2021: Gottheimer Ultimately Voted For The Resolution To Repeal The Trump Rule.** [Clerk of the United States House of Representatives, 06/24/21]

- **June 30, 2021: President Biden Signed The Repeal Resolution Into Law.** "On June 30, President Biden signed the resolution to repeal the OCC's true lender rule from the Trump administration. With majority votes from the House and the Senate, the rule has been nullified, and the OCC may not issue any substantially similar rule without subsequent statutory authorization." [Davis Polk, 07/01/21]

Gottheimer Has Taken $3,000 From Opportunity Financial, Which Relied On Rent-A-Bank Schemes To Charge 160% APRs Across The Country. "Opportunity Financial, an online lender, uses this rent-a-bank scheme in partnership with FinWise Bank, making loans with 160 percent APRs in 24 states and the District of Columbia. Opportunity Financial's political action committee has donated to Josh Gottheimer." [The American Prospect, 06/07/21]

- **Josh Gottheimer For Congress Has Taken $3,000 From Opportunity Financial, LLC Credit Access PAC, As Of January 27, 2022.** [Federal Election Commission, accessed 01/24/22]

A New Jersey Restaurant Owner Near Gottheimer's District Took A $67,000 Rent-A-Bank Loan At 268%, Despite State Law. "Another rent-a-bank example comes out of Gottheimer's home state. A restaurant owner in Paterson, New Jersey, received a $67,000 loan at 268 percent interest, way out of step with state law. World Business Lenders was able to make this loan because they laundered it through Axos Bank, which has an OCC-administered federal bank charter. The collateral was the owner's property, and they now face foreclosure. Paterson is in the congressional district adjacent to Gottheimer's." [The American Prospect, 06/07/21]

Rep. Frank Lucas (R-OK) Has Taken At Least $40,200 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Urged Trump's Former CFPB Director To Roll Back "A Rather Obscure" Part Of Payday Regulations After Taking Contributions From An Industry CEO Who Lobbied On The Issue.

Rep. Frank Lucas (R-OK) Has Taken At Least $40,200 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Lucas Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Lucas Voted Against A Resolution To Repeal The Trump Administration's True Lender Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded the bipartisan House passage of their resolution to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the doors for these lenders to prey on vulnerable consumers. The legislation now heads to the President's desk for signature. "For four years the Trump Administration did all they could to strip Americans of their consumer protections. But today Congress took major action to reverse that damage. Striking down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms." [Sen. Van Hollen, 06/24/21]

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Rep. Lucas Urged Then-CFPB Director Kathy Kraninger To Roll Back "A Rather Obscure" Aspect Of Payday Regulations After Receiving Contributions From Advance Financial CEO Mike Hodges, Who Had Been Lobbying On The Issue. "Removing that last part—'the payments piece'—would be a major reversal for the CFPB, which promised to maintain it in federal court as recently as March. [...] And a month later, in October of this year, five members of Congress who took money from Hodges and his wife questioned Kraninger in the House Financial Services Committee about the payment provisions, a rather obscure line of questioning for a congressional hearing. Representatives Blaine Luetkemeyer (R-MO), David Kustoff (R-TN), John Rose (R-TN), Frank Lucas (R-OK), and Andy Barr (R-KY) all urged Kraninger to 'address inconsistencies' and 'compliance burdens' in the payment provision. All told, the five Republican representatives received $51,200 directly from Mike and Tina Hodges since 2017." [The American Prospect, 12/09/19]

- **Mike Hodges, CEO Of Payday Lender Advance Financial, Claimed That He Successfully Lobbied The Trump White House To Remove The Payments Provision Of The Payday Rule.** "And it's all thanks to a man named Mike Hodges. He is the CEO of Advance Financial, one of the nation's largest payday lenders. Advance operates over 100 storefronts in Tennessee, and through its website, strapped borrowers in select states across the country can also get a payday loan at an exorbitant interest rate. [...] 'I have gone to the White House and … the White House has been helpful on this particular rule that we're working on right now,' Hodges boasted. 'In fact, it's, the

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Rep. John Rose (R-TN) Has Taken At Least $53,300 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Urged Trump's Former CFPB Director To Roll Back "A Rather Obscure" Part Of Payday Regulations After Taking Contributions From An Industry CEO Who Lobbied On The Issue.

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- **Rep. Rose Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

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- **June 24, 2021: Rose Voted Against The Resolution To Repeal The Trump Rule.** [Clerk of the United States House of Representatives, 06/24/21]

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Rep. Andy Barr (R-KY) Has Taken At Least $68,627 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Cosponsored Legislation To Revive 365% APR Deposit Advance Loans.

Rep. Andy Barr (R-KY) Has Taken At Least $68,627 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Barr Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Barr Voted Against A Resolution To Repeal The Trump Administration's True Lender Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded the bipartisan House passage of their resolution to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the doors for these lenders to prey on vulnerable consumers. The legislation now heads to the President's desk for signature. "For four years the Trump Administration did all they could to strip Americans of their consumer protections. But today Congress took major action to reverse that damage. Striking down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms." [Sen. Van Hollen, 06/24/21]

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2018: Rep. Andy Barr Cosponsored The Ensuring Quality Unbiased Access to Loans (EQUAL) Act, Legislation That Effectively Prohibited An Obama-Era Prohibition Against Banks' Deposit Advance Loans, Which Had An Average APR Of 365%. [Congress.gov, 01/19/18]

- **The Ensuring Quality Unbiased Access to Loans (EQUAL) Act, Legislation To Nullify Obama Administration Guidance That "Effectively Prohibited" Expensive Deposit Advances, Banks' "Equivalent Of A Payday Loan."** "In Congress, Rep. Trey Hollingsworth (R-IN) recently introduced the Ensuring Quality Unbiased Access to Loans Act. The EQUAL Act would nullify guidance issued by former President Obama's Federal Deposit Insurance Corporation that effectively prohibited deposit advance products. Deposit advance was a bank's equivalent of a payday loan—an advance from the bank on a customer's incoming paycheck. While these loans were relatively expensive, they were about one-third cheaper than the average payday loan." [Competitive Enterprise Institute, 03/23/18]

- **A 2012 Report Found That Banks' Deposit Advance Loans Had An Average APR Of 365%.** "The report found that advance loans issued by the banks carried an average term of 10 days, with a fee of $10 per $100 borrowed (amounting to a 365% APR), and customers remained stuck in the loan cycle -- meaning they owed money to the bank -- for an average 175 days per year." [CNN, 03/07/12]

Rep. Pete Sessions (R-TX) Has Taken Nearly $230,000 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Defended The Industry While His Top Campaign Contributor Was Payday Lender Cash America.

Rep. Pete Sessions (R-TX) Has Taken $229,999 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Sessions Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Sessions Voted Against A Resolution To Repeal The Trump Administration's True Lender Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded the bipartisan House passage of their resolution to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the doors for these lenders to prey on vulnerable consumers. The legislation now heads to the President's desk for signature. "For four years the Trump Administration did all they could to strip Americans of their consumer protections. But today Congress took major action to reverse that damage. Striking down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms." [Sen. Van Hollen, 06/24/21]

- **June 24, 2021: Sessions Voted Against The Resolution To Repeal The Trump Rule.** [Clerk of the United States House of Representatives, 06/24/21]

- **June 30, 2021: President Biden Signed The Repeal Resolution Into Law.** "On June 30, President Biden signed the resolution to repeal the OCC's true lender rule from the Trump administration. With majority votes from the House and the Senate, the rule has been nullified, and the OCC may not issue any substantially similar rule without subsequent statutory authorization." [Davis Polk, 07/01/21]

2012: Rep. Sessions Defended The Payday Lending Industry While His Top Campaign Contributor Was Payday Lender Cash America. "According to Maplight.org, which monitors campaign donations and the effect they have on the voting record of members of Congress, the No. 1 top contributor to Pete Sessions' congressional campaign is CashAmerica. I asked Sessions to explain how CashAmerica and other payday lenders and pawn shops help his district, given our previous reporting about the heavy presence of these operations inside Dallas's 27 crime hotspots. His answer was quite similar to the explanation that CashAmerica and other payday lenders give for why they offer very-high-interest loans to people in desperation. Some excerpts of Sessions' response: 'My point is that, as people have tough times and go from paycheck to paycheck or needs to needs – a car breaks down, that is not a paycheck-to-paycheck issue, that can be a big deal – there need to be lenders who are available.'" [The Dallas Morning News, 10/03/12]

Rep. Bill Huizenga (R-MI) Has Taken At Least $25,500 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. Bill Huizenga (R-MI) Has Taken At Least $25,500 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

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April 2020: Rep. Huizenga Signed A Letter Asking The Trump Administration To Let Payday Lenders Access The Paycheck Protection Program, A Pandemic Relief Fund. "A bipartisan group of lawmakers is pressing the Trump administration to let payday lenders gain access to small business rescue money, going to bat for companies that have been accused of engaging in predatory behavior toward lower-income people. [...] In a letter signed by 24 House Republicans and four Democrats, lawmakers asked the Treasury Department and Small Business Administration to open up Paycheck Protection Program loan applications to 'small-size nonbanks,' including installment lenders and so-called community development financial institutions, which focus their lending on underserved populations. Payday lenders weren't explicitly mentioned, but a spokesperson for Rep. Blaine Luetkemeyer (R-Mo.), one of the lawmakers who led the letter, confirmed the intent was to include them in the request." [Politico, 04/24/20]

- **Rep. Bill Huizenga Signed The Letter.** [Letter from Rep. Ted Budd et al. to Administrator Jovita Carranza and Secretary Steven T. Mnuchin, 04/23/20]

- **High-Cost Lenders, Including Payday Lenders, And Debt Collectors Received About $580 Million From The Paycheck Protection Program, As Of January 2021.** "Those were just two of more than 1,800 loans that went to debt collectors and high-interest lenders through the Paycheck Protection Program, according to an analysis by The Washington Post. In all, the aid to these businesses amounted to more than $580 million." [The Washington Post, 01/15/21]

Rep. French Hill (R-AR) Has Taken At Least $32,062 From The Payday Lending Industry, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. French Hill (R-AR) Has Taken At Least $32,062 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Hill Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Hill Voted Against A Resolution To Repeal The Trump Administration's True Lender Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded the bipartisan House passage of their resolution to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the doors for these lenders to prey on vulnerable consumers. The legislation now heads to the President's desk for signature. 'For four years the Trump Administration did all they could to strip Americans of their consumer protections. But today Congress took major action to reverse that damage. Striking down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [Sen. Van Hollen, 06/24/21]

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May 2020: Rep. Hill Signed A Letter Asking The Treasury Department And Small Business Administration For Payday Lenders And Other Consumer Lenders To Have Access To The Paycheck Protection Program, A Pandemic Relief Fund. "But the industry's efforts to change that have found more sympathetic ears on Capitol Hill: on April 23, a bipartisan group of 28 lawmakers sent a letter to SBA and the Treasury Department asking for consumer lenders to get access to PPP funds. A lead author of the letter, Rep. Blaine Leutkemeyer (R-MO), confirmed to Politico that the group intended for payday lenders to be eligible for that relief. [...] Other signers, like Rep. French Hill (R-AR)—the House GOP appointee to a bipartisan panel to oversee the economic relief funds appropriated by the CARES Act—have received five-figure sums from the industry." [The Daily Beast, 05/13/20]

- **Headline: Payday Lenders Ask Their Pals in D.C. For Gov't Handout** [The Daily Beast, 05/13/20]

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Rep. Ann Wagner (R-MO) Has Taken At Least $85,300 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. Ann Wagner (R-MO) Has Taken At Least $85,300 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

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Rep. Tom Emmer (R-MN) Has Taken At Least $10,000 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, Has Called The CFPB's Payday Lending Rule "Ruinous," And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. Tom Emmer (R-MN) Has Taken At Least $10,000 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

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- **June 24, 2021: Emmer Voted Against The Resolution To Repeal The Trump Rule.** [Clerk of the United States House of Representatives, 06/24/21]

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Rep. Emmer "Branded The [CFPB's] Payday Lending Rule A Ruinous One-Size-Fits-All Regulation." "The Consumer Financial Protection Bureau (CFPB) announced new rules last year that aimed to make payday lenders do more to ensure that borrowers have the means to pay back their loans on time. But now the CFPB is trying to delay and possibly gut that plan, and Congress recently toyed with killing it altogether. [...] Republican Rep. Tom Emmer branded the payday lending rule a ruinous one-size-fits-all regulation backed by false rhetoric. Like so many others issued by the CFPB, [the rule] would do more to harm the very consumers it proclaims to help, Emmer said." [Associated Press, 07/04/18]

April 2020: Rep. Emmer Signed A Letter Asking The Trump Administration To Let Payday Lenders Access The Paycheck Protection Program, A Pandemic Relief Fund. "A bipartisan group of lawmakers is pressing the Trump administration to let payday lenders gain access to small business rescue money, going to bat for companies that have been accused of engaging in predatory behavior toward lower-income people. [...] In a letter signed by 24 House Republicans and four Democrats, lawmakers asked the Treasury Department and Small Business Administration to open up Paycheck Protection Program loan applications to 'small-size nonbanks,' including installment lenders and so-called community development financial institutions, which focus their lending on underserved populations. Payday lenders weren't explicitly mentioned, but a spokesperson for Rep. Blaine Luetkemeyer (R-Mo.), one of the lawmakers who led the letter, confirmed the intent was to include them in the request." [Politico, 04/24/20]

- **Rep. Tom Emmer Signed The Letter.** [Letter from Rep. Ted Budd et al. to Administrator Jovita Carranza and Secretary Steven T. Mnuchin, 04/23/20]

- **High-Cost Lenders, Including Payday Lenders, And Debt Collectors Received About $580 Million From The Paycheck Protection Program, As Of January 2021.** "Those were just two of more than 1,800 loans that went to debt collectors and high-interest lenders through the Paycheck Protection Program, according to an analysis by The Washington Post. In all, the aid to these businesses amounted to more than $580 million." [The Washington Post, 01/15/21]

Rep. Bryan Steil (R-WI) Has Taken At Least $4,500 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. Bryan Steil (R-WI) Has Taken At Least $4,500 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Rep. Steil Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Steil Voted Against A Resolution To Repeal The Trump Administration's True Lender Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded the bipartisan House passage of their resolution to repeal the Trump Administration’s so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the doors for these lenders to prey on vulnerable consumers. The legislation now heads to the President’s desk for signature. 'For four years the Trump Administration did all they could to strip Americans of their consumer protections. But today Congress took major action to reverse that damage. Striking down the Trump ‘Rent-A-Bank’ rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [Sen. Van Hollen, 06/24/21]

- **June 24, 2021: Steil Voted Against The Resolution To Repeal The Trump Rule.** [Clerk of the United States House of Representatives, 06/24/21]

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Rep. Lee Zeldin (R-NY) Has Taken At Least $10,323 From Payday Lenders, Voted To Uphold A Trump Rule That Allowed Payday Lenders To Avoid State Interest Rate Caps Through "Rent-A-Bank" Schemes, And Asked The Trump Administration To Let Payday Lenders Access Federal Pandemic Relief.

Rep. Lee Zeldin (R-NY) Has Taken At Least $10,323 From The Payday Lending Industry, As Of January 27, 2027. [OpenSecrets, accessed 01/27/22]

- **Rep. Zeldin Is A Member Of The House Financial Services Committee.** [U.S. House Committee on Financial Services, accessed 01/24/22]

June 2021: Rep. Zeldin Voted Against A Resolution To Repeal A Trump Administration Rule That Allowed Predatory Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded the bipartisan House passage of their resolution to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the doors for these lenders to prey on vulnerable consumers. The legislation now heads to the President's desk for signature. 'For four years the Trump Administration did all they could to strip Americans of their consumer protections. But today Congress took major action to reverse that damage. Striking down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [Sen. Van Hollen, 06/24/21]

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Four Senate Banking Committee Members Who Have Explicitly Opposed Rate Caps Have Taken Nearly $275,000 From Payday Lenders.

Sen. Pat Toomey (R-PA), Ranking Member Of The Senate Banking Committee, Has Taken At Least $121,200 From Payday Lenders, Has Criticized A Proposed Federal Rate Cap As "Hurt[Ing] The Very People It's Supposed To Help," And Voted To Protect A Trump Rule Allowing Lenders To Avoid State Rate Caps.

Sen. Pat Toomey (R-PA) Has Taken At Least $121,200 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

July 29, 2021: The Senate Committee On Banking, Housing, And Urban Affairs Held A Full Committee Hearing On A Proposed Nationwide 36% Interest Rate Cap, Titled, "Protecting Americans From Debt Traps By Extending The Military's 36% Interest Rate Cap To Everyone." [Senate Banking Committee Hearing, 07/29/21]

- **Sen. Toomey Is The Current Ranking Member Of The Senate Committee On Banking, Housing, And Urban Affairs.** [Senate Banking Committee, accessed 01/24/22]

July 2021: Sen. Pat Toomey (R-PA) Criticized The VCFCA In His Opening Statement, Stating "Congress Should Not Remove, But Expand, Access To Credit" As A Rate Cap "Hurts The Very People It's Supposed To Help." "Congress should not remove, but expand, access to credit. Regulators have made it very difficult for banks to offer small-dollar credit. Although Federally-chartered credit unions can offer Payday Alternative Loans, an NCUA-approved small-dollar product, fewer than 600 credit unions nationwide offer them, and in the first half of 2020 the 'all-in' APR for these loans, including fees, actually exceeded 36%. At the end of the day, taking choices away from consumers just doesn't work. Instead, it hurts the very people it's supposed to help. [Senate Banking Committee, 07/29/21]

May 2021: Sen. Toomey Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Toomey Voted Against The Resolution.** [U.S. Senate, 05/11/21]

Sen. Jerry Moran (R-KS) Has Taken At Least $30,500 From Payday Lenders, Has Criticized The VCFCA As A "Washington-Knows-Best, One-Size-Fits-All Interest Rate Cap" That Would "Only Limit Access To Credit For Kansans," And Voted To Protect A Trump Rule Allowing Lenders To Avoid State Rate Caps.

Sen. Jerry Moran (R-KS) Has Taken At Least $30,500 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Sen. Moran Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

July 29, 2021: The Senate Committee On Banking, Housing, And Urban Affairs Held A Full Committee Hearing On A Proposed Nationwide 36% Interest Rate Cap, Titled, "Protecting Americans From Debt Traps By Extending The Military's 36% Interest Rate Cap To Everyone." [Senate Banking Committee Hearing, 07/29/21]

August 2, 2021: Following The Senate Banking Hearing, Sen. Jerry Moran (R-KS) Criticized The VCFCA As A "Washington-Knows-Best, One-Size-Fits-All Interest Rate Cap" That Would "Only Limit Access To Credit For Kansans." "This week, during a Senate Banking Committee hearing on a federally mandated interest rate cap, I discussed how price controls always harm the individuals they are intended to help and would only limit access to credit for Kansans. A Washington-knows-best, one-size-fits-all interest rate cap could not be more inconsistent with states' rights and principles of federalism. Such a cap would only increase the minimum loan amount required for lenders to provide borrowers credit at economically feasible rates with the potential for lenders to stop offering small dollar loans entirely. Instead of implementing government-mandated price controls, Congress should focus on reducing the regulatory barriers that increase the cost of credit for all. Click here to watch the full hearing." [Senator Jerry Moran, 08/02/21]

May 2021: Sen. Moran Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Moran Voted Against The Resolution.** [U.S. Senate, 05/11/21]

Sen. Thom Tillis (R-NC) Has Taken At Least At Least $78,288 From Payday Lenders, Criticized A Federal Interest Rate Cap As "Federal Overreach," Suggested That The Military Lending Act Wasn't Beneficial In Protecting Servicemembers, And Voted To Protect A Trump Rule Allowing Lenders To Avoid State Rate Caps.

Sen. Thom Tillis (R-NC) Has Taken At Least $78,288 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

- **Sen. Tillis Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

July 29, 2021: The Senate Committee On Banking, Housing, And Urban Affairs Held A Full Committee Hearing On A Proposed Nationwide 36% Interest Rate Cap, Titled, "Protecting Americans From Debt Traps By Extending The Military's 36% Interest Rate Cap To Everyone." [Senate Banking Committee Hearing, 07/29/21]

During This Hearing, Sen. Tillis (R-NC) Stated He Shared Sen. Jerry Moran's (R-KS) Concern "Over Federal Overreach Of What I Think Can Be Managed Within The States," Noting That His State Of North Carolina Had A 30% Interest Rate Cap. "Thank you. Mr. Chairman. In North Carolina, we were the first state to outlaw payday lending In 2001. I think the chairman reference the fact that it was sunset after about a three-year experiment. We also have a thirty percent APR cap on lending in North Carolina. To that end, I share my concerns that were expressed by Senator Moran over federal overreach of what I think can be managed within the states." [Senate Banking Committee Hearing (01:54:13-01:54:40), 07/29/21]

In His Remarks, Sen. Tillis Questioned The Effectiveness Of The Military Lending Act, Which Enacts A 36% Interest Rate Cap For Military Servicemembers And Their Families, And Suggested More Data Was Needed "To Even Understand If The MLA Is Working And Whether Or Not We Should Scale It To The Whole Of The American Economy." "Mr. Hempler, I agree with you that we need to get hard data out of the DOD. Ms. Petraeus said all indications are that it's working, but a Harris poll, I think it was conducted in 2019 published in 2020 before, there would be any distortions that could have been caused by COVID, found that 51 percent of all military families, reported they had been denied credit specifically, due to the provisions in the MLA. That'd be a nice statistic to get confirmed by the DOD. They go on to say that between 2014 and 2019 the percentage of military family suffering financial distress doubled from 16 percent to 34 percent, to put that in individual terms that's from 40,000 in 2014, before the MLA was implemented, to 200,000 in 2019. Also, a very interesting fact that needs to be substantiated.The last one, in 2017 West Point research study found evidence indicating access to payday loans, again illegal in North Carolina, decrease the probability of involuntary separation from the Army by 10%. I think there's a lot of interesting information. We need to get from the DOD to even understand if the MLA is working and whether or not we should scale it to the whole of the American economy." [Senate Banking Committee Hearing (01:54:40-01:56:05, 07/29/21]

During His Questioning Of A Witness In Favor Of A Federal Interest Rate Cap, Sen. Tillis Made Reference To The Illegal CFPB Federal Consumer Law Task Force's Conclusion That Small-Dollar Credit Would Become Unavailable With "Legislative Or Regulatory Mandates To Set Different Prices." "Ms. Petraeus. I know you served in the CFPB and thank you for your past and continued service. You may be aware the CFPB Task Force on Federal Consumer Law issued their annual report earlier this year. There was one passage that struck me as interesting. I'd like to get your view on it. It read, 'after reviewing millennia of history, centuries of economic theory, and decades of empirical analysis, the task force concludes that the problem of providing small-dollar credit to wage earners, at what others consider to be reasonable prices, is not only a perennial problem but it's probably also unsolvable. Either small-dollar credit can be provided at market prices that take into account its production cost, it can be provided by a massive governmental intervention at a cost that has never yet been politically acceptable, and which would still have to contend with operating costs, or it will not be provided at all. Legislative or regulatory mandates to set different prices cannot change those realities.' What's your opinion on that finding in the task force report?" [Senate Banking Committee Hearing (01:56:06-01:57:13), 07/29/21]

- **January 2022: The Consumer Financial Protection Bureau (CFPB) Announced It Had Settled A Lawsuit Alleging The "Taskforce On Federal Consumer Financial Law Did Not Comply With The Federal Advisory Committee Act (FACA)" And That As Part Of The Settlement The CFPB Would "Amen[D] The Taskforce's Report To Include A Disclaimer Noting That The CFPB Failed To Comply With FACA And That The Report Should Not Be Relied Upon As A 'Product Of A FACA-Compliant Federal Advisory Committee.'"** "Today, the Consumer Financial Protection Bureau (CFPB) announced it has settled a lawsuit filed by the National Association of Consumer Advocates, U.S. Public Interest Research Group, and Professor Kathleen Engel. The lawsuit alleged that the Taskforce on Federal Consumer Financial Law did not comply with the Federal Advisory Committee Act (FACA). […] On November 29, 2021, the CFPB entered into a stipulated settlement agreement that required, among other corrective actions, the CFPB to release to the plaintiffs by March 22, 2022, all Taskforce records that would have been made public if the CFPB had complied with FACA's requirements. These records will also be made publicly available on the CFPB's website. Additionally, the CFPB has amended the Taskforce's report to include a disclaimer noting that the CFPB failed to comply with FACA and that the report should not be relied upon as a 'product of a FACA-compliant federal advisory committee.'" [Consumer Financial Protection Bureau, 01/14/22]

- **The Taskforce On Federal Consumer Financial Law Was Chartered In October 2019 And Released Its "Report And Recommendations" On January 5, 2021.** "In October 2019, the CFPB chartered the Taskforce to provide recommendations to improve consumer financial laws and regulations. On January 5, 2021, the Taskforce released its report and recommendations." [Consumer Financial Protection Bureau, 01/14/22]

May 2021: Sen. Tillis Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

  - **May 11, 2021: Sen. Tillis Voted Against The Resolution.** [U.S. Senate, 05/11/21]

Sen. Jon Tester (D-MT), Who Has Taken At Least $45,000 From Payday Lenders Said The Rate Cap Could Have "'Very Negative Impacts'" On Payday Lender Plain Green Loans, Which Was Subject To A 2019 Class-Action Lawsuit From 40,000 Borrowers Who Paid Interest Rates As High As 448%.

Sen. Jon Tester (D-MT) Has Taken At Least $45,000 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets, accessed 01/27/22]

  - **Sen. Tester Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

Sen. Tester Was "Concerned About The Impact" The 36% Rate Cap Would Have On Tribal Loan Businesses And Tribal Sovereignty. "A bill making its way through Congress has U.S. Senator Jon Tester concerned about the impact it could have on tribal loan businesses, including one on the Rocky Boy Reservation. At a recent Senate committee hearing, members of Congress and witnesses spoke both for and against a bill proposing a federal law capping the interest rate on consumer loans at 36 percent. [...] Tester said he wants to make sure tribal sovereignty is protected. 'The sovereignty issue sets Native Americans in a bit of a different category that I think we can accommodate, but we have to realize that there's a challenge here,' Tester said." [3 KRTV, 08/13/21]

Sen. Tester Said The Cap Could Have "'Very Negative Impacts'" On Lender, Plain Green Loans, Which He Said "'Gives Good Jobs'" And "'Does A Lot Of Really Good Work.'" "'Plain Green Loans … gives good jobs, good paying jobs, to a place that has about 80% unemployment, by the way, and invests in youth programs, does a lot of really good work,' said Tester. 'The way this bill is written, it could eventually have very negative impacts on them.'" [American Banker, 07/29/21]

- **2019: A Class-Action Lawsuit Against Plain Green LLC And Other Lenders From 40,000 Borrowers Who Paid Interest Rates As High As 448% Led To A $380 Million National Settlement Against High-Cost Tribal Online Lenders.** "A handful of persistent Virginians, burned by triple-digit interest rates on their online loans, won a groundbreaking national settlement that aims to close a loophole that let loan firms pretend to be Native Americans to skirt state loan-sharking laws. The settlement, approved Wednesday by U.S. District Judge Hannah Lauck, wipes out some $380 million of debts owed by more than one million people across the country. [...] The national settlement grew from a class-action lawsuit filed by Virginians who had taken out loans charging interest rates as high as 448% on loans ranging in size from $300 to $3,000. One borrower paid $15,399 towards her debt before filing suit. In that case, Plain Green LLC, which claimed to be owned by the Chippewa Cree Tribe of the Rock Boy Reservation in Montana; Great Plains Lending, associated with the Otoe-Missouria tribe of Oklahoma; and MobiLoans LLC, associated with the Tunica Biloxi Tribe of Louisiana, agreed to return excessive interest payments to more than 40,000 borrowers." [The Virginia-Pilot, 12/12/19]

Eight Other Senate Banking Committee Members Have Taken Nearly $574,000 From Payday Lenders, And All Of Them Voted To Protect A Trump Rule Allowing Lenders To Avoid State Interest Rate Caps.

Sen. Richard Shelby (R-AL) Has Taken At Least $254,050 From Payday Lenders—Including $46,000 Just Three Weeks Before Voting Against Giving The CFPB More Power To Protect Consumers Against Predatory Lending—And Voted To Protect A Trump Rule Allowing Lenders To Avoid State Rate Caps, All Despite Once Criticizing "'Predatory Lending Schemes'" Targeted At Servicemembers.

Sen. Richard Shelby (R-AL) Has Taken At Least $254,050 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Shelby Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

2015: Sen. Shelby Took $46,000 From The Payday Industry About Three Weeks Before He Voted Against A Senate Budget Amendment That Would've Given The CFPB More Power To Protect Consumers From Predatory Lending. "In early March of 2015, more than $46,000 poured into Sen. Richard Shelby's campaign account from payday lending companies and industry executives. About three weeks later, Shelby voted against a Senate budget amendment that would have given the Consumer Financial Protection Bureau more power to protect Americans from predatory lending -- a measure that would have harmed the payday lending industry." [AL.com, 04/26/18]

2016: Sen. Shelby Criticized Rules On Small-Dollar Lending, Claiming They "Restrict Access To Credit Entirely." "For example, certain rules will make it more difficult for a consumer to get a prepaid card or take out a short-term, small-dollar loan. Such regulations may restrict access to credit entirely for individuals, households, and businesses. I have long advocated for sensible consumer protections, but I do not believe they should be used as a substitute for an individual consumer's independent—yes, independent—judgment. Also, so- called protections should not be implemented without regard to their costs or their effects on economic growth or the safety and soundness of any particular financial institution." [U.S. Senate Committee on Banking, Housing, And Urban Affairs, 04/05/16]

- **April 5, 2016: The Senate Banking Committee Held A Hearing Titled "Assessing The Effects Of Consumer Finance Regulations."** [U.S. Senate Committee on Banking, Housing, And Urban Affairs, 04/05/16]

May 2021: Sen. Shelby Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Shelby Voted Against The Resolution.** [U.S. Senate, 05/11/21]

Sen. Mark Warner (D-VA) Has Taken At Least $39,800 From Payday Lenders And Has Introduced Legislation To Allow Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes.

Sen. Mark Warner (D-VA) Has Taken At Least $39,800 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Warner Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

July 2017: Sen. Warner Introduced S. 1642, The Protecting Consumers Access To Credit Act of 2017, Which Would Have Allowed Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. [Congress.gov, 07/27/17]

- **S. 1624 "Would Allow Payday Lenders, High-Cost Online Lenders, And Other Predatory Lenders To Partner With Banks To Make Loans That Surpass Existing State Interest Rate Limits"—An Arrangement Known As "'Rent-A-Bank.'"** "The Protecting Consumers' Access to Credit Act of 2017 (H.R. 3299 and S. 1624) would allow payday lenders, high-cost online lenders, and other predatory lenders to partner with banks to make loans that surpass existing state interest rate limits. This legislative scheme would legalize payday lenders to charge triple-digit interest rates, despite state laws banning them. Some term this financial switch as innovation for "fintech," a recently coined term that smacks of the 21st Century's tech focus, but in everyday terms, these actions are a renewed effort for an old scheme known as 'rent-a-bank.' [...] Virginia's Senator Mark Warner, the lead sponsor of that chamber's version has Senators Gary Peters (Michigan), Pat Toomey (Pennsylvania) and Steve Daines (Montana) as his co-sponsors." [The Atlanta Voice, 11/24/17]

Sen. Mike Crapo (R-ID) Has Taken At Least $162,150 From Payday Lenders, Voted To Preserve A Trump Administration Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps And Praised The Trump CFPB's Elimination Of Payday Lenders' Underwriting Requirements.

Sen. Mike Crapo (R-ID) Has Taken At Least $162,150 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Crapo Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

May 2021: Sen. Crapo Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Crapo Voted Against The Resolution.** [U.S. Senate, 05/11/21]

2020: Sen. Crapo Supported The Trump CFPB's Elimination Of Underwriting Requirements For Payday Lenders, Arguing That "'The Availability Of Short-Term, Small-Dollar Credit Is Essential To Millions Of Americans.'" "Senate Democrats lambasted Consumer Financial Protection Bureau Director Kathy Kraninger for finalizing a rule during the coronavirus pandemic that eliminates underwriting requirements for payday lenders. At a hearing before the Senate Banking Committee on Wednesday, Democrats on the panel homed in on the payday rule in criticizing the agency's record protecting consumers during the pandemic crisis. [...] Republicans argued that the new payday lending rule will improve consumers' access to credit. 'The availability of short-term, small-dollar credit is essential to millions of Americans,' Crapo said. 'Updating this rule is an important step toward ensuring the availability of credit that is essential to so many consumers who struggle to access or qualify for other options.'" [American Banker, 07/29/20]

2012: Sen. Crapo Was One Of The Biggest Recipients Of Payday Industry Money As Their Contributions "Peaked" When The CFPB Began Prioritizing Regulations On The Industry. "And lenders have poured money into the coffers of influential Republican lawmakers. Lobbying donations peaked in 2012, when the bureau began to make payday lending a priority and have leveled off in the last year. Among the biggest recipients have been Representative Jeb Hensarling of Texas, the Republican chairman of the House Financial Services Committee, and Senator Mike Crapo of Idaho, the Republican chairman of the Senate Banking Committee." [The New York Times, 02/02/18]

Sen. Mike Rounds (R-SD) Has Taken At Least $23,222 From Payday Lenders, Voted To Preserve A Trump Administration Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps, And Repeatedly Introduced Legislation To "Dismantle" The CFPB, Which Protects Consumers And Servicemembers Against Predatory Lending.

Sen. Mike Rounds (R-SD) Has Taken At Least $23,222 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Rounds Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

May 2021: Sen. Rounds Voted Against A Resolution Striking Down The Trump Administration's True Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Rounds Voted Against The Resolution.** [U.S. Senate, 05/11/21]

February 14, 2017: Sen. Rounds Introduced Legislation To "Dismantle" The CFPB, Which Protects Consumers From Payday Lenders, And Which Has Been Praised By Senior Military Officers For Helping To Protect Servicemembers From Predatory Lenders. "U.S. Sen. Mike Rounds (R-S.D.), a member of the Senate Banking Committee, today announced he introduced legislation to dismantle the Consumer Financial Protection Bureau (CFPB) by eliminating its funding stream from the Federal Reserve." [Sen. Rounds, 02/14/17]

- **May 2019: Sen. Rounds Reintroduced Legislation To Eliminate The CFPB.** "U.S. Sen. Mike Rounds (R-S.D.), a member of the Senate Banking Committee, today joined Sens. Ted Cruz (R-Texas), Mike Lee (R-Utah), Jim Inhofe (R-Okla.), Ben Sasse (R-Neb.), Marsha Blackburn (R-Tenn.) and Rand Paul (R-Ky.) to reintroduce legislation that would eliminate the Bureau of Consumer Financial Protection." [Sen. Mike Rounds, 05/07/19]

- **The CFPB Protects Consumers From Predatory Payday Lenders.** "Payday loan protections [...] The CFPB's rule prevents lenders from attempting to collect payments from people's bank accounts in ways that may rack up excessive fees or deviate from what they expect." [Consumer Financial Protection Bureau, accessed 01/25/22]

- **February 15, 2017: Military Leaders Gave Congressional Testimony On How The CFPB Protects Servicemembers, With One Senior Navy Officer Noting That Sailors Worry About Interest Rates And Other Financial Issues.** "Yesterday, while military leaders testified about the important work of the Consumer Financial Protection Bureau (CFPB) to protect and educate military families and consumers, Senate Armed Services Committee members proposed cutting off funding and eliminating the agency altogether. At yesterday's hearing of the Personnel Subcommittee of the Senate Armed Services Committee, senior enlisted leaders spoke about CFPB and its dedicated military protection office. Under the direction of the office's first director Holly Petraeus, the agency secured $120 million in refunds, handled 70,000 complaints, and provided financial education at 145 military facilities to servicemembers, veterans, and their families. 'I know that our sailors think about when they get the calls from debt collectors, they think about mortgages, and they think about interest rates,' said Master Chief Petty Officer of the Navy Steven S. Giordano to the Senate panel." [Consumer Federation, 02/15/17]

July 2017: Sen. Rounds Cosponsored S. 1642, The Protecting Consumers Access To Credit Act of 2017, Which Would Have Allowed Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. [Congress.gov, 07/27/17]

- **S. 1624 "Would Allow Payday Lenders, High-Cost Online Lenders, And Other Predatory Lenders To Partner With Banks To Make Loans That Surpass Existing State Interest Rate Limits"—An Arrangement Known As "'Rent-A-Bank.'"** "The Protecting Consumers' Access to Credit Act of 2017 (H.R. 3299 and S. 1624) would allow payday lenders, high-cost online lenders, and other predatory lenders to partner with banks to make loans that surpass existing state interest rate limits. This legislative scheme would legalize payday lenders to charge triple-digit interest rates, despite state laws banning them. Some term this financial switch as innovation for "fintech," a recently coined term that smacks of the 21st Century's tech focus, but in everyday terms, these actions are a renewed effort for an old scheme known as 'rent-a-bank.' [...] Virginia's Senator Mark Warner, the lead sponsor of that chamber's version has Senators Gary Peters (Michigan), Pat Toomey (Pennsylvania) and Steve Daines (Montana) as his co-sponsors." [The Atlanta Voice, 11/24/17]

Sen. John Kennedy (R-LA) Has Taken At Least $11,535 From Payday Lenders, Voted To Preserve A Trump Administration Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps, Claimed The CFPB "'Grossly Violated'" Small Business Rules In Its Small Dollar Loan Rule—All While Criticizing Dodd-Frank For Driving Consumers To Payday And Pawn Lenders.

Sen. John Kennedy (R-LA) Has Taken At Least $11,535 From The Payday Lending Industry, As Of January 25, 2022. [OpenSecrets.com, accessed 01/25/22]

- **Sen. Kennedy Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

May 2021: Sen. Kennedy Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Kennedy Voted Against The Resolution.** [U.S. Senate, 05/11/21]

Sen. Kennedy Wrote A Letter To The CFPB Claiming That Its Small-Dollar Lending Rule "'Grossly Violated'" Rules To Reduce Regulatory Burdens On Small Businesses. "As part of its rulemaking, the CFPB is required to undertake the Small Business Regulatory Enforcement Act (SBREFA) process in order to reduce the regulatory burden on small entities. From just about all accounts of those involved, the CFPB entirely ignored SBREFA participants. Three senators, Sen. Marco Rubio (R-FL), Sen. John Kennedy (R-LA), and Sen. James Risch (R-ID), went as far as to write to the Bureau, noting that the Small Business Administration believed that the CFPB "grossly violated" the SBREFA requirements in promulgating the small dollar loan rule." [Competitive Enterprise Institute, 01/17/18]

Meanwhile, Sen. Kennedy Criticized Dodd-Frank Bank Reforms For Creating "Banking Deserts That Are Sending People To Payday Lenders And Pawn Shops For Simple Financial Transactions." "U.S. Sen. John Kennedy (R-La.) spoke on the floor of the U.S. Senate this morning about the need to unburden community banks and credit unions from the weight of unfair regulations through the S. 2155, the Economic Growth, Regulatory Relief and Consumer Protection Act. [...] S. 2155 seeks to stop the damage that the Dodd-Frank law is inflicting on community banks and credit unions that are being punished for the 2008 financial crisis even though they were not responsible for it. Dodd-Frank has driven community banks and credit unions out of business, made it difficult for many people to have checking accounts and stifled small business loans. In Louisiana, Dodd-Frank has created banking deserts that are sending people to payday lenders and pawn shops for simple financial transactions." [Sen. John Kennedy, 03/06/18]

- **S.2155 Rolled Back "The Most Significant Post-Crisis Reforms For The United States' Biggest Banks."** "First, S.2155 rolls back the most significant post-crisis reforms for the United States' biggest banks. The Dodd-Frank Act mandated enhanced oversight of banks with $50 billion or more in assets to prevent them from becoming too big to fail." [The Hill, 02/07/18]

Sen. Bill Hagerty (R-TN) Has Taken At Least $35,100 From Payday Lenders And Voted To Preserve A Trump Administration Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps.

Sen. Bill Hagerty (R-TN) Has Taken At Least $35,100 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Hagerty Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

May 2021: Sen. Hagerty Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Hagerty Voted Against The Resolution.** [U.S. Senate, 05/11/21]

Sen. Kevin Cramer (R-ND) Has Taken At Least $2,500 From Payday Lenders, Has Voted To Preserve A Trump Administration Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps, And Touted His Bill To Guarantee Payday Lenders Access To Financial Services.

Sen. Kevin Cramer (R-ND) Has Taken At Least $2,500 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Cramer Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

May 2021: Sen. Cramer Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

- **May 11, 2021: Sen. Cramer Voted Against The Resolution.** [U.S. Senate, 05/11/21]

May 2021: Sen. Cramer Co-Authored An Article About His "Fair Access to Banking Act," Which Would Guarantee Payday Lenders And Other Unsavory Businesses Access To Financial Services. "That is why we are teaming up in Congress to lead the Fair Access to Banking Act, a bill to codify the Fair Access Rule and guarantee fair access to financial services for lawful and legally compliant businesses under federal law, regardless of politics. A difference in political views is not a valid reason to deny a business fair access to capital, yet that is what banks and financial institutions are doing. [...] Our bill is not about politics. It is about protecting fundamental American principles and its equal application to all businesses -- from oil companies and private prisons to payday lenders and firearms dealers. In America, the customer is king, not the bank, and certainly not the political class. It is time Congress affirms that access to financial services should be tied to the creditworthiness of applicants, regardless of their perceived political leanings." [Townhall, 05/26/21]

- **May 26, 2021: Sen. Cramer And Rep. Andy Barr Co-Authored An Article Titled, Protecting Citizens from Cancel Culture in Finance** [Townhall, 05/26/21]

Sen. Steve Daines (R-MT) Has Taken At Least $45,325 From Payday Lenders, Voted To Preserve A Trump Administration Rule Allowing Predatory Lenders To Avoid State Interest Rate Caps, And Cosponsored A Bill To Allow "'Rent-A-Bank'" Schemes.

Sen. Steve Daines (R-MT) Has Taken At Least $45,325 From The Payday Lending Industry, As Of January 27, 2022. [OpenSecrets.com, accessed 01/27/22]

- **Sen. Daines Is A Member Of The Senate Banking Committee.** [Senate Banking Committee, accessed 01/24/22]

May 2021: Sen. Daines Voted Against A Resolution Striking Down The Trump Administration's True Lender Rule Allowing Payday Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. "Today, U.S. Senator Chris Van Hollen (D-Md.), a member of the U.S. Senate Committee on Banking, Housing, and Urban Affairs, and Committee Chairman Sherrod Brown (D-Ohio) applauded President Biden's signing of their resolution into law to repeal the Trump Administration's so-called True Lender Rule through the use of the Congressional Review Act. This regulation, finalized in the last months of the prior Administration, allows predatory lenders to skirt state laws meant to curb interest rates on loans and opens the door for these lenders to prey on vulnerable consumers. According to the Center for Responsible Lending, this rule has allowed predatory lenders to make loans at 100% APR or more in states with limits of 36% or less by laundering loans through an out-of-state bank not subject to state limits. 'Americans deserve consumer protections that work for them – not for special interests and predatory payday lenders. Today's action to strike down the Trump 'Rent-A-Bank' rule will help prevent predatory lenders from ripping off consumers and charging loan-shark rates under deceptive terms.'" [U.S. Senate Committee on Banking, Housing, and Urban Affairs, 06/30/21]

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July 2017: Sen. Daines Cosponsored S. 1642, The Protecting Consumers Access To Credit Act of 2017, Which Would Have Allowed Payday And Other High-Cost Lenders To Avoid State Interest Rate Caps Through "'Rent-A-Bank'" Schemes. [Congress.gov, 07/27/17]

- **S. 1624 "Would Allow Payday Lenders, High-Cost Online Lenders, And Other Predatory Lenders To Partner With Banks To Make Loans That Surpass Existing State Interest Rate Limits"—An Arrangement Known As "'Rent-A-Bank.'"** "The Protecting Consumers' Access to Credit Act of 2017 (H.R. 3299 and S. 1624) would allow payday lenders, high-cost online lenders, and other predatory lenders to partner with banks to make loans that surpass existing state interest rate limits. This legislative scheme would legalize payday lenders to charge triple-digit interest rates, despite state laws banning them. Some term this financial switch as innovation for 'fintech,' a recently coined term that smacks of the 21st Century's tech focus, but in everyday terms, these actions are a renewed effort for an old scheme known as 'rent-a-bank.' [...] Virginia's Senator Mark Warner, the lead sponsor of that chamber's version has Senators Gary Peters (Michigan), Pat Toomey (Pennsylvania) and Steve Daines (Montana) as his co-sponsors." [The Atlanta Voice, 11/24/17]