SAMPLE NC FAITH LETTER   
  
[DATE]

The Honorable Richard Cordray   
Director   
Consumer Financial Protection Bureau  
1700 G Street, NW   
Washington, D.C. 20552  
  
Re: Proposed Regulation on Small Dollar Loans;

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

Dear Director Cordray:

I am a [PASTOR at XXX in CITY/STATE]. As a person of faith, I write to support your agency’s proposed rules on payday loans, but urge you to strengthen the rules, removing loopholes for unscrupulous high-cost lenders.

Payday loans are illegal in North Carolina now, and we must keep it that way. We are way too familiar with these dangerous loans, having had them in our state for 10 years. The last payday lenders left in 2006. Consider adding a brief story about the harms of payday lending when it was legal in North Carolina.

The Consumer Financial Protection Bureau should do everything it can to end this kind of lending abuse across the country. Though we know your rule will not override our strong state usury cap, we are concerned that payday lenders will use a weak national rule as ammunition to come back into North Carolina.

I support the rule proposed by the Bureau, with the ability to repay standard at its core. However, the numerous loopholes and exemptions in the proposed rule severely threaten its ability to rein in the debt trap in states where these loans are still legal. Payday lenders should be required to determine a borrowers’ ability to repay – considering both income and expenses – on all loans. This is a common sense requirement that any lender should meet. Any rule that permits a lender to offer even one triple-digit APR loan (and yours allows six), or fails to protect consumers from the need borrow one loan just to pay off the one before it, will do little to end the debt trap.

We call on the CFPB to close the remaining loopholes and issue the strongest rule possible to stop the harmful debt trap caused by payday loans. Unless these loopholes are closed, we are extremely concerned that your final rule will give a green light to dangerous loan products and will not stop the debt trap in states where these loans are still legal. This is bad policy for those states and will be pushed as bad policy in North Carolina as well.

Our communities need fair and responsible credit and our faith demands it. Our moral and Biblical traditions are clear, credit should be used to help one’s neighbors, not exploit them. High-cost payday and car title lenders drain resources from households, service providers and local communities.

Thank you for this opportunity to comment.

Sincerely,