

## **Iowa Citizens for Community Improvement -- Iowa**

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### **Consumer Financial Protection Bureau (CFPB) takes action on payday lending industry practices** *Iowa leaders, organizations, weigh in on and encourage meaningful action from CFPB on payday loan industry*

[Des Moines, IA] – In Richmond, VA today, the CFPB held a field hearing on proposed rules to address the payday loan industry and other small dollar lending institutions such as car title lenders.

The action by the CFPB is the first federal action concerning such lenders since the 2007 act that prohibited payday lenders from taking advantage of members of the military with triple digit interest rates.

In response, and in solidarity with opinion leaders across the country, numerous Iowans weighed in on the rule-making unveiled by the CFPB:

Payday lenders continue to prey on the most vulnerable of society. It's time to bring true protection to those that the industry has gorged themselves on for way too long.

-Steve Abbott, president, Communications Workers of America - Iowa State Council

Payday lenders are like the wild west of financial institutions. Thankfully there's a new sheriff in town – the CFPB – who's committed to bringing some law and order to an industry that's been left unchecked until now.

-Berkley Bedell, former U.S. Congressman

I encourage the CFPB to act to protect consumers and families living in or near poverty from predatory financial products, especially payday loans.

-Tom Chapman, Iowa Catholic Conference

The CFPB needs to be aggressive in its position in regard to payday loan companies. These folks play on the circumstances, and take advantage of the most vulnerable of our society. I encourage the CFPB to rein in the abuses of these predators.

-Mark Cooper, president South Central Iowa Federation of Labor, AFL-CIO

For too long predatory lenders have had free rein to take advantage of people when they are desperate and therefore most vulnerable. Every citizen, but especially our military veterans and service members, should not be put in this position. We all deserve better and we applaud any action taken to curb this despicable practice.

-Sue Dinsdale, Executive Director, Iowa Citizen Action Network

Payday lenders and the big banks that finance their high interest rates they charge consumers needs to stop. Their business is nothing more than a modern day cartel. We should stop protecting these lenders who prey on the anxious middle class by enacting tougher state and federal laws. In the meantime, the CFPB is the consumer's only protection.

- Jack Hatch, former State Senator and 2014 Democratic Gubernatorial candidate

Payday lenders are extremely exploitive in their lending and prey upon working people who struggle paycheck to paycheck. All too often, hidden penalties lead to garnishments for those that are unable to pay back their \$500 loans. The big banks restrict financing to these same people and then loan the money out the back door through another company (e.g., EZ Money). The CFPB needs to find ways to prevent harsh penalties and garnishments.

-Joe Enriquez Henry, State Director, League of United Latin American Citizens - Iowa

Payday lenders have operated in the shadows for far too long, and it's about time we had a "cop on the beat" that's looking out for everyday folks across the country and cracking down on predatory loan sharking that rivals mobster behavior. We applaud this effort by the CFPB and urge them to be as bold as their charter allows to regulate this toxic industry.

-Cherie Mortice, board president, Iowa Citizens for Community Improvement

Every way you look at it pay day lenders are bad for our communities. Their whole business model depends on families getting caught into a vicious debt cycle, renewing loans over and over again. We as a country can be and are better than this. We can create just alternatives for our neighbors.

-Chris Schwartz, Organizer, Americans for Democratic Action

The Iowa state legislature has failed to pass meaningful reform to the payday loan industry in recent years despite a broad coalition of groups, representing Republicans and Democrats alike, rallying behind measures in both the Senate and House. In the absence of state legislation addressing the worst abuses of payday lenders, Iowa CCI members and others see action by the CFPB as a needed step in the right direction.

*Iowa Citizens for Community Improvement is a group of everyday people who talk, act and get things done on issues that matter most. With thousands of members from all walks of life -- urban and rural, black and white, immigrants and lifelong Iowans -- CCI has been tackling tough issues and getting things done for 40 years.*