

Los Angeles Times

Editorial: Payday loans are often a last resort for the poor. That doesn't mean they should be exploitative

“The CFPB, which Congress created as part of the 2010 Dodd-Frank Act, does have jurisdiction over payday lenders, and the rules it has proposed would apply regardless of where the lenders were located. Those rules would extend to short-term loans an important principle that Dodd-Frank applied to mortgages: With one notable exception, lenders have to make sure a borrower can repay them before issuing the loan. Today, payday lenders simply verify that an applicant has a paycheck and a checking account, which they dip into directly to withdraw the full amount of the loan and their fees when they're due. Under the proposal, lenders would have to consider the borrower's complete financial picture, including other debts and living expenses.”



Editorial: Fleecing the poor

“The regulations covering payday lending announced today by the Consumer Financial Protection Bureau are designed to protect consumers from such traps by, among other things, requiring lenders to be certain their customers are capable of paying off their loans. Typically, that means consumers who already have short-term debts couldn't keep revolving them into bigger and bigger loans that they simply can't afford.”

ST. LOUIS POST-DISPATCH

Editorial: Crackdown is comeuppance for payday predators

“The payday loan industry thrives for one reason only: Poor people on razor-thin budgets are desperate for money to cover immediate debts or expenses, and they don't have a good enough credit rating to seek help from reputable lenders. The payday industry traps them into an endless cycle of high-interest debt...If these lenders hadn't left [so many victims](#) in their wake, their assertions of innocence might almost be believable. But it's because they've behaved so abominably that federal regulators are now justified in intervening.”



Editorial: Restrictions on payday lenders long overdue

“But an objective look at how this industry works suggests that in far too many cases it is not doing the consumer any favors. It's a business model that finds its most success when its customers fail. The proposed regulations are a big step in the right direction.”