

ACTION ALERT:

Dangerous Trump Administration Proposal Would Unleash Predatory Payday Lending in NY



New York has successfully fought to keep predatory payday lending out of our state, as a matter of racial and economic justice. Now, the Trump administration is seeking to gut New York's longstanding consumer protection laws, and open the door to high-cost lenders that exploit people who are struggling financially.

Here's what you need to know about the Trump proposal and what you can do to fight it.

- **The proposed rule would knock down New York laws prohibiting companies from making high-cost and discriminatory loans.**
 - The Trump administration seeks to obliterate the clear limits New York has set for interest rates -- known as "usury laws."
 - Usury laws have been on New York's books for centuries and charging more than 25% interest is a felony in New York. But national banks are allowed to get around states' interest rate limits.
 - The Trump rule would legalize "rent-a-bank" schemes, allowing unregulated online lenders to "partner" with national banks, so they too can make an end run around New York laws and charge people interest rates in the triple digits.
 - New York is one of 16 states, plus D.C., that ban predatory payday lending.
- **Discriminatory targeting.** Payday lenders target people struggling to get from check to check. Research shows that payday lenders target people and communities of color.
 - The proposed rule would further fuel the disproportionate impact of COVID-19 on New York's Black and brown communities and prevent a just recovery for all.
- **Wealth extraction.** The proposed rule would harm New Yorkers and small business owners, allowing online companies to strip wealth from low-income communities, immigrant communities, and communities of color.
 - Thanks to our strong state laws, New Yorkers save nearly \$790 million every year in fees that high-cost payday and car title lenders would otherwise siphon.
- **Transparently pro-industry.** This is part of the Trump administration's broad effort to dismantle critical protections and exploit the national emergency to advance corporate interests.
 - The Acting Comptroller who issued the proposal comes straight from the "fintech" industry that would benefit from the proposed rule.
 - The public was given only 30 days to submit comments, during a national pandemic, in August.
 - The same regulatory agency effectively put a stop to these "rent-a-bank" schemes years ago, saying they presented too many risks.

Take Action! Submit your comments in opposition by September 3, 2020. Fill out [this form](#), or email regs.comments@occ.treas.gov, Subject: Docket ID OCC-2020-0026.