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Stivers backs bill to block new payday rule

Columbus, Ohio — Ignoring Ohio community and advocacy organizations that defend borrowers from predatory payday lending, Representative Steve Stivers (R-Ohio) co-sponsored a bill that would stop implementation of a rule finalized by the Consumer Financial Protection Bureau last month.

The rule that would be halted by the bill requires payday and car title lenders to assess a borrower's ability to repay before issuing a loan. It also provides payment regulations to protect borrower accounts. These measures prevent borrowers from getting into a debt trap where they are unable to pay back unaffordable loans. The bill killing this rule was introduced by Rep. Dennis Ross (R-Fla.) and co-sponsored by Rep. Alcee Hastings (D-Fla.), Tom Graves (R-Ga.), Henry Cuellar (D-Texas), and Collin Peterson (D-Minn.), in addition to Stivers.

"We need Congress to stand with consumers, not predatory lenders," said Kalitha Williams, policy liaison for Policy Matters Ohio. "Ohio has long been the Wild West of payday lending. The consumer bureau rule offers needed protections to prevent exploitation of financially vulnerable families. Ohio advocates worked hard to see this rule finalized and we will fight to keep this rule in place."

Nearly [100 Ohio organizations](#) appealed to the consumer bureau for strong protections from predatory payday and car title lending. Such lending costs Ohio families over [\\$500 million](#) each year in fees with the average annual loan interest rate at [677 percent](#). Payday and car title lending leaves people without funds to pay bills, strips them of their bank accounts, and increases their likelihood of bankruptcy. Across the country, payday and car title lending costs families [\\$8 billion per year](#). The Consumer Bureau's rule is [supported by more than 70 percent of Republicans, Independents and Democrats](#).

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Policy Matters Ohio is a nonprofit, nonpartisan state policy research institute with offices in Cleveland and Columbus.