



## Texas Fair Lending Alliance

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### BREAKING NEWS

#### **Texas Payday Lenders Attempt to Dismantle the CFPB**

*If they win, Texans will be harmed and a vast array consumer of protections will be erased*

AUSTIN, Texas — Today, the U.S. Supreme Court is hearing oral arguments in [CFPB v. CFSA](#), a lawsuit that was brought by Texas and national payday and auto title lenders. The continued effectiveness of the most impactful and important consumer protection agency, the Consumer Financial Protection Bureau (CFPB,) hangs in the balance. The CFPB was created in response to consumer protection failings that underpinned the Great Recession, which led to millions of Americans losing homes to foreclosure and a vast decrease in family wealth.

Over the past 12 years, the CFPB has adopted rules and enforced laws to stop illegal practices targeting veterans, older Americans, student borrowers, and many others. They have returned over \$17.5 billion to consumers targeted by illegal financial practices and responded to millions of complaints. In Texas, the CFPB has returned more than [\\$63 million to nearly 100,000](#) people and addressed [417,000 complaints](#).

The case before the U.S. Supreme Court is an appeal of a [ruling](#) by the U.S. 5<sup>th</sup> Circuit Court of Appeals that found the funding structure of the CFPB to be unconstitutional. The CFPB is currently independently funded through the Federal Reserve. Multiple federal agencies, including major financial regulators, as well as Social Security and Medicare, have a similar independent funding structure to support stability and remove them from the influence of big-money special interest lobbyists.

Payday and auto title lenders sued the CFPB in Texas nearly 5 years ago to challenge consumer-friendly rules that would benefit financially vulnerable payday and auto title loan borrowers. The [Texas Fair Lending Alliance](#) supported the federal rules that are at the center of this lawsuit and have been working tirelessly for over a decade to build common-sense protections in this predatory market.

These businesses continue to charge Texans some of the highest rates in the country and, over the past decade, have [drained nearly \\$18 billion](#) in excessive fees from Texas borrowers, and auto title lenders have repossessed over 400,000 cars. With the state legislature refusing to address these abuses, we need the CFPB as a strong voice in support of consumers and a fair market.

**About the Texas Fair Lending Alliance**

The Texas Fair Lending Alliance (TFLA) believes in a Texas market that encourages informed financial choices that are successful for both borrowers and lenders. TFLA is a coalition of over 60 organizations and individuals working to transform the Texas payday and auto title loan market from one based on a cycle of debt, to one that thrives on a cycle of success. Web: [www.texasfairlending.org](http://www.texasfairlending.org); Twitter: @TXFairLending

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