



Texas Fair Lending Alliance

BREAKING NEWS

For Immediate Release: February 6, 2019

Press Statement:

CFPB Proposal on Payday and Auto Title Loan Rule Guts Essential Protections

If adopted, proposal will leave behind Texas families caught in unaffordable cycle of debt

AUSTIN, Texas — [Texas Fair Lending Alliance](#) members are dismayed by today's action of the new Consumer Financial Protection Bureau (CFPB) director, Kathy Kraninger, removing essential protections from the payday and auto title loan rule, which had been finalized in November 2017 after five years of in-depth research by the CFPB. Removing protections essentially benefits predatory lenders but leaves average Americans in the dust. Average annual percentage rates on these loans in Texas range from **200% to over 500% APR**. Texas stands out as having some of the highest rates and worst protections for payday and auto title loans in the country. From 2012 to 2017, Texans paid \$9.2 billion in fees alone for these high-cost loans. During the same time period, 218,347 families lost a car to an auto title loan, often after paying more in fees than the value of the original loan. Unaffordable loans dominate the Texas payday and auto title loan market and hurt local economies.

This move has initiated a 90-day comment period to allow Texans and others across the country to voice their concern. TFLA will submit comments opposing this harmful proposal to dismantle a good rule.

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; Twitter: @TXFairLending

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