

Congress of the United States
Washington, DC 20515

July 19, 2012

The Honorable Richard Cordray
Director, U.S. Consumer Financial Protection Bureau
1500 Pennsylvania Avenue, Northwest
Attn: 1801 L Street, Northwest
Washington, DC 20220

Dear Director Cordray:

It is our understanding that you and your colleagues are in the process of examining short-term insured depository loan products and the payday lending industry, and we would like to respectfully offer some insight from our knowledge of the industry in Florida. Particularly, we suggest a balanced approach to new rulemaking, based on successful measures in Florida, that would balance meaningful safeguards for consumers of payday loans, overdraft, and bounced-check products with needed access for these services.

Having all served in the Florida legislature, we are familiar with our state's balanced approach to payday loans. In fact, Florida's payday loan statute is among the most progressive and effective in the nation, and has become a national standard for balancing strong consumer protections with necessary access to credit. We believe that the CFPB will find tremendous benefit in Florida's best practices, which have been implemented along with reforms that many lenders offering these services have made themselves. These measures, such as extended repayment plans, along with common-sense features of the law, like placing caps on loan amounts and limiting loan periods, encourage the responsible use of short-term loans. We encourage you to take a close look at how these reforms may benefit the CFPB's work.


Short-term loans are products that have an important place in the current economic landscape. As demand for short-term and small-dollar loans continues during this time of economic hardship, non-traditional lenders have filled an important role for American consumers with severely limited credit options and who traditional lending institutions do not adequately serve. Lenders in this space often offer convenient and less expensive products and services to these consumers, and we want to ensure that the CFPB will continue to give consumers the freedom to access these services in the marketplace.

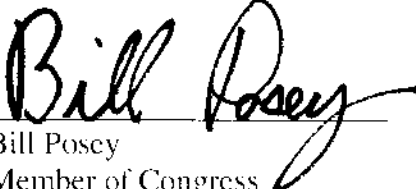
In reaching this common-sense balance between protections and access for consumers, we suggest that the CFPB treat similar lending products, from both traditional banks and legitimate non-banks, with uniformity in its approach to regulations, while working to exclude lenders operating offshore and outside the law. These actions will help ensure that American consumers have adequate protections.


As you work on new regulations, we hope that the CFPB will continue to ensure that consumers may make informed choices and continue to have access to short-term credit, while encouraging lending practices that are fair and transparent.

We look forward to working together and discussing successful models – like Florida’s – that are in the best interest of American consumers. Thank you for your time and consideration.

Sincerely,


Debbie Wasserman Schultz
Member of Congress


Bill Posey
Member of Congress


Daniel Webster
Member of Congress


Theodore E. Deutch
Member of Congress