



## NEWS RELEASE

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FOR IMMEDIATE RELEASE

### **Attorney General Phil Weiser signs letter opposing CFPB efforts to delay Payday Lending consumer protections**

*Colorado joins 23 states and the District of Washington in signing a letter against CFPB's roll-back of loan regulations in favor of lender profits*

Mar. 19, 2019 (DENVER, Colo.) – Today Attorney General Phil Weiser joined a coalition of 25 attorneys general urging the Consumer Financial Protection Bureau (CFPB) to take immediate action to protect consumers from abuses in payday lending, vehicle title lending, and other exploitative practices.

“We must protect borrowers in Colorado and the rest of the country from unfair, predatory payday lending practices. The CFPB is proposing to delay the ability-to-repay provision without an adequate justification. It is critical that the CFPB protect American consumers by holding payday lenders accountable and protecting vulnerable borrowers from spiraling costs and inevitable default,” Weiser said.

Payday lending is a type of short-term, high-interest loan given out to borrowers by a business, not a bank. While consumers with poor credit or little savings might initially see them as a ‘quick fix’ for a financial emergency because of how easily they can be acquired, payday loans usually carry hidden provisions that charge additional fees, typically using a borrower’s wages as collateral. These short-term loans last only weeks and can easily trap customers into an ongoing cycle of paying off the enormous interest rates on the previous loan. Last fall, Colorado voted to cap the costs on payday loans at 36 percent, a significant decrease from the average interest rate of 129 percent in the state.

In 2017, CFPB introduced consumer protections that would have required short-term payday lenders to ensure borrowers were able to afford such loans before taking them out, and to prohibit lenders from using abusive tactics when seeking repayment.

In 2018, however, the CFPB changed tack and announced that it would consider delaying the implementation of these consumer protection rules. At the same time, it has announced a proposal to rescind these rules altogether.

The coalition is led by North Carolina Attorney General Josh Stein. Attorney General Weiser is joined in filing these comments by the Attorneys General of California, Connecticut, Delaware, the District of Columbia, Hawai’i, Iowa, Illinois, Maine, Maryland, Massachusetts, Michigan, Minnesota, New Jersey, New Mexico, Nevada, New York, North Carolina, Oregon, Pennsylvania, Rhode Island, Vermont, Virginia, Wisconsin and Washington.

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