

# WISPIRG: Rollbacks of Consumer Protections Would Put Wisconsinites in a “Pit of Despair”

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## *People of Faith, Advocates Speak Out Against Predatory Lending*

KENOSHA – Faith leaders, community service providers and consumer advocates rallied on Tuesday to speak out against proposed rollbacks of protections for payday and car title loan borrowers. Some members of Congress and the White House are pushing to undo new protections for America’s most vulnerable consumers and the Consumer Financial Protection Bureau (CFPB), a federal watchdog created after the Great Recession cost millions of Americans their homes, savings and jobs.

“Payday lending is an exploitative practice that preys on people already in desperate financial situations, only to squeeze out a profit,” said Emma Fisher, WISPIRG. “We need stronger, not weaker, protections.”

Payday lenders target low-income borrowers already in financial distress, drawing consumers into a spiral of growing debt, piled-on fees and skyrocketing interest rates they can’t repay – more than 500 percent on average, according to the Wisconsin Department of Financial Institutions. These loans are structured to create a long-term debt trap that drains consumers’ bank accounts and causes significant financial harm, from repeated overdraft fees to loss of checking accounts, increased difficulty paying mortgages, rent and other bills, and even bankruptcy.

“At the very center of the work of Jesus was working against systems of financial

exploitation,” said Pastor Jonathan Barker of Grace Lutheran Church in Kenosha. “Jesus shut down the Temple to end a system that preyed on the poor and foreigners and called for all debt to be eliminated. Jesus would certainly overturn the tables of predatory lenders today.”

Last year, the Consumer Bureau announced a new rule that allows lenders to make loans only after they have assessed whether the borrower can afford to pay them back. These new protections don’t sit well with the payday loan industry or its allies: The U.S. Senate introduced a bill just last week to undo the Payday Rule, while the new acting director of the CFPB, Mick Mulvaney – who took contributions from payday lenders when he was a Congressman – plans to delay, change or roll back the Rule.

“We’re calling on our members of Congress, including Speaker Ryan and Senator Johnson, to stand up for their constituents by protecting the Payday Lending Rule — not the financial predators that profit at our expense,” concluded Emma Fisher, WISPIRG. “We applaud Senator Baldwin for introducing the SAFE Lending Act recently, which would rein in the worst offenses by online payday lenders.”