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## **Payday Lenders Sue Federal Consumer Bureau to Abolish Borrower Protections**

*A successful lawsuit would mean more working families remain stuck in crippling debt*

AUSTIN, Texas – The Consumer Services Alliance of Texas and the Community Financial Services Association of America are leading a lawsuit on behalf of the payday lending industry, filed April 9 in federal court in Austin, Texas. The lawsuit is seeking to overturn the Consumer Financial Protection Bureau’s (CFPB’s) recent [rule](#) that establishes lending standards to address the financial harms caused by payday and auto title loans.

The lawsuit, if successful, will be a step backwards for Texas and many other states. People who use these unaffordable loans often fall into a debt trap. At least 45 Texas cities have taken action to rein in the damaging cycle of debt caused by these loans, and [recent studies](#) show that nearly 1 in 3 Texas nonprofit clients asking for financial assistance are in trouble with payday and auto title loans.

“Payday and auto title loan businesses seem to stop at nothing to keep Texas families in ongoing and unaffordable debt,” said Ann Baddour, Director of the Fair Financial Services Project at Texas Appleseed.

The [CFPB rule was finalized](#) on October 5, 2017, after years of study and substantial stakeholder input. The Texas Fair Lending Alliance and Texas Faith Leaders for Fair Lending issued a [press release](#) when the rule was finalized, stating that the rule will, “bolster fair lending in Texas.” At the heart of the rule is the commonsense requirement that lenders check a borrower’s ability to repay before lending money.

(more)

## **RESOURCES**

*These white papers and data sheets shed light on the history and consumer harms of payday and auto title lending in Texas.*

[Payday and Auto Title Lending in Texas: Data Sheets \(2012-2016\)](#)

[Payday and Auto Title Lending in Texas: Market Overview & Trends \(2012-2015\)](#)

[Pulling Back the Curtain: Shining a Light on Payday and Auto Title Businesses in Texas \(2015\)](#)

[End the Unlawful Use of Criminal Charges by Loan Businesses to Collect Consumer Debts \(2016\)](#)

### **About Texas Appleseed**

Texas Appleseed is a public interest justice center that works to change unjust laws and policies that prevent Texans from realizing their full potential. Our nonprofit conducts data-driven research that uncovers inequity in laws and policies and identifies solutions for lasting, concrete change. For more information, visit [www.TexasAppleseed.org](http://www.TexasAppleseed.org).

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