

South Carolina Leaders Oppose Sen. Graham's Attempt to Repeal Protections Against Abusive Payday Lenders

COLUMBIA, S.C. – U.S. Senator Lindsey Graham (R-S.C.) has introduced a Congressional Review Act (CRA) resolution, S.J. Res 56, which would repeal the payday and car title lending rule finalized by the Consumer Financial Protection Bureau (CFPB) in October. The announcement to roll back this important consumer protection comes off the heels of the payday lenders' continued effort to take over the consumer bureau.

CRA is a legislative tool that allows lawmakers to undo federal regulation with a simple majority vote in both the House and Senate. If passed, CRA prohibits a federal agency—like the CFPB—from rolling out regulations similar to those it reversed.

In South Carolina, payday and car title lenders charge rates exceeding 300% annual interest. In our state, over 80% of payday loans go to borrowers trapped in seven or more loans a year.

"We are disappointed that Senator Graham, who has been so supportive of consumers in the past, is supporting the efforts to dismantle protections for our most vulnerable citizens. State reports demonstrate that just the payday lending industry has drained \$51 million in fees from just over 100,000 borrowers in South Carolina in 2016," said **Sue Berkowitz, Executive Director of South Carolina Appleseed**. "This is money that could be used for rent, food and medicine. We will make sure that he hears from consumers why this is the wrong direction for our state and country."

"Time and time again, we hear stories from across the state of people struggling to climb out of the hole caused by payday lending in South Carolina. As people of faith, we are called to speak out against these actions which harm the most vulnerable among us. We are working hard every day to prevent the harms of payday lending in our community, so it is incredibly disappointing to see Senator Graham defend payday lenders in this way." said **Rev. Brenda Kneece, South Carolina Christian Action Council Executive Minister**

"Senator Graham's plan to repeal this important protection is wrong, unjust, and immoral. Proverbs says to not rob the poor just because they are poor. But, that is exactly what payday lenders do. We urge the senator to reconsider this effort and instead pass laws that protect our most vulnerable communities from financial harm," said **Rev. Dominique Grate, South Carolina Christian Action Council Predatory Lending Coordinator, AME Clergy**

"People of faith and community leaders came out in full support for strong rules from the Consumer Financial Protection Bureau that would address debt-trap lending and help create a truly fair marketplace for small-dollar loans. Repealing this rule would only do harm," said **Rev. Amiri B. Hooker, South Carolina Conference of the United Methodist Church**. "Senator Graham needs to join us in returning to traditional values regarding usury and away from immoral debt-trap loans that have done so much damage to the vulnerable in our communities."

“I’m disappointed in Sen. Graham’s sponsorship of the CRA, especially as he knows how many people in South Carolina are caught in the payday lending debt-trap. The negative impacts of payday lending have multiple consequences: local businesses have been forced to close, individuals are struggling with depression from financial stress and families have broken up as a result of these unjust products. We desperately need stricter regulations and voices from South Carolina standing up for our families.” **Rev. Merianna Harrelson, Pastor New Hope Christian Fellowship.**