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COMMUNITY ECONOMIC DEVELOPMENT ASSOCIATION OF MICHIGAN

1118 S. Washington Ave
Lansing, MI 48910

U.S. Senate Committee on Banking, Housing, and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510

Dear Chairman Scott and Ranking Member Warren:

Thank you for the opportunity to express our concerns about the attacks on the Consumer Financial Protection Bureau (CFPB).

The Community Economic Development Association of Michigan (CEDAM) is a statewide membership organization with more than 300 members engaged in community-based economic development. Our members work to revitalize and strengthen communities and help residents build financial security and generational wealth**.** This work includes affordable housing development, downtown and neighborhood revitalization, alternative lending programs, financial counseling, and more.

Michigan, as well as the rest of the country, has seen an increase in the cost of living in the past few years. The 2025 ALICE Report (**A**sset-**L**imited, **I**ncome-**C**onstrained, and **E**mployed) released by the Michigan Association of United Ways shows that 41% of households in Michigan struggle to afford basic living expenses, and the number of ALICE households reporting having a rainy-day savings fund has decreased from 35% to 31% compared to 2023.

On top of this, our state has some of the weakest consumer protection laws in the nation. Michigan allows both predatory payday lending and there is no regulation on the Earned Wage Advance (online payday lending) industry in our state.

Michigan was one of the hardest hit states in the financial crisis that led to the formation of the CFPB. CEDAM members who work on asset building and financial counseling have seen an increase in clients who come to them seeking help with predatory lending, from illegal online loans to incorrect wage garnishment to predatory auto loans and more.

The CFPB provides a reliable and safe place for our members and people in communities they serve to make sure predatory practices are being addressed and Michigan families have a fair financial environment to try to build generational wealth. In addition, our members rely on CFPB for useful resources for promoting financial stability in Michigan households. Many members use the resources in their financial education classes and one-on-one financial counseling. These resources are invaluable to CEDAM members who are working directly with communities to help provide financial stability and a path to financial freedom.

Through our work advocating for Michigan consumers, we have seen how valuable the CFBP has been as a trusted, credible, and accessible resource for people facing unfair treatment by finance companies. When consumers have struggled with issues involving mortgage services, debt collectors, banks, or credit reporting agencies the CFPB has provided a straightforward process to submit complaints and find resolution. For many vulnerable consumers, especially those with limited time, financial resources, or familiarity with complex regulatory systems, the CFPB, a trusted institution, has served as a point of contact for reconciliation. As the agency's capacity is diminished, consumers will be left to navigate a fragmented system of complaints and enforcement on their own, making it far more difficult to hold financial systems accountable.

CEDAM has witnessed a strong shift in the community development field toward a greater focus on household financial security. If our families cannot successfully manage their monthly income and expenses, save for emergencies, and eventually secure assets like homeownership or small business ownership, then our efforts to improve physical infrastructure and build local economies have far less impact. Dismantling the CFPB would be a step in the wrong direction for Michigan families and further weaken our state communities and economy. A strong CFPB is vital to the financial health of Michigan communities.

Sincerely,

Jessica AcMoody
Policy Director
CEDAM