



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 Southwest Center for Economic Integrity (CEI) promotes ethical profits and responsible commerce, builds economically strong communities for all, and opposes unfair corporate and governmental practices. CEI's work is grounded in the community – people who are directly affected by economically oppressive corporate, government and regulatory practices. CEI amplifies our impact through coalitions with progressive nonprofits and businesses. We nurture collective action.

Affordability for far too many Arizona families is rapidly becoming an almost impossible dream. Hard working families are paying a heavy price for negligent and harmful fiscal policies at all levels of government. Access to debt trap loan products will not solve the issue of low wages, lack of affordable housing, escalating fuel, utility, healthcare and food costs.

Borrowers are paying too much for cash loans due to add on fees, junk insurance products and industry evasions of the Arizona's Consumer Lending law which caps small loan interest rates up to 36% APR. Of particular concern is the big tech payday lending phone apps that are marketed broadly as "early wage advances". This industry has been unable to influence Arizona state legislators to legalize payday lending redux, early wage advance loan products because Arizonans

overwhelmingly oppose payday lending by as evidenced by an industry sponsored ballot initiative that failed spectacularly. Arizonans continue to reject high-cost triple-digit interest rate loan products. No means no. Period.

Arizona families, like other families nationwide, face inflationary prices for food, utilities, gas, clothing, medical needs, and the necessities of daily life. As a result, families are forced to use credit for fundamental necessities, thus too often exposing themselves to predatory lenders, fraud, and scams. Arizonans who are simply trying to hang on, to feed and clothe their families, and to educate their children need to have the regulatory support and enforcement of a strong government agency. They need to know they have somewhere to go that will tangibly and pragmatically help them to resolve issues and allow them to build the life they deserve.

The CFPB is important because we have filed complaints with the CFPB to resolve consumer problems such as predatory car title lending. Complaints to the CFPB were promptly addressed and Arizona borrowers obtained financial redress. The CFPB provides pragmatically useful resources for promoting household financial stability. CEI has utilized the CFPB 's free financial education materials, "Your Money Your Goals" in our organization outreach activities. Educating working families about basic financial matters is a proactive approach to arming them so they don't get caught in the ever-present online debt trap lending schemes and scams propagated by large corporations and industries. It functions to level the playing field between individual Arizona consumers and small businesses against large banks, debt collectors, credit bureaus, scammers, and other finance and fintech companies. The CFPB was the only place Edna, a 72-year-old Arizona resident, recently widowed could turn to when her finances were upended by personal tragedy.

The CFPB has always been a champion for our Arizona communities. With the attacks on the CFPB, CEI has lost confidence in what remains of the agency that was intentionally designed to level the playing field, hold bad actors accountable and provide redress for borrowers who have been swindled out of their hard-earned paychecks or even worse disability or social security checks.

We need a strong CFPB because Arizona consumers will always be up against unethical, predatory lenders and they will need CFPB's powerful regulatory and enforcement capabilities to resolve concerns, to do the right thing for them, and to build trust that government is there for them when they need it most.

The next leader of the CFPB must be passionately driven by consumer needs. She/he must be an experienced administrator who, like Senator Warren, can keep the big picture in mind while simultaneously plunging into the minute administrative details in given situations. The next CFPB leader needs to be a relentless warrior dedicated to helping all consumers help themselves to a better life, ensuring the market is working according to all state and federal laws.

Dismantling the CFPB hurts people in our Arizona community. It is a slap in the face of hard-working people across this nation. It sends a clear message, "We don't care about you or your family's economic prosperity. What we care about are big tech, large corporations, big banks and huge profits at the expense of those who can afford it the least." Arizona as a state has repeatedly rejected usury but we need a strong partner in the CFPB to help us uphold the law.

Sincerely,

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Cc:

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