April 21, 2021

Senator Susan Collins
413 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Collins:

I am writing to you today to respectfully request your leadership and support for S.J.Res.15. This joint resolution provides for congressional disapproval under chapter 8 of title 5, United States Code, of the rule submitted by the Office of the Comptroller of Currency relating to "National Banks and Federal Savings Associations as Lenders" ensuring the rule would have no effect.

Community Credit Union has branches in Lewiston, Auburn and Turner, Maine. Our main branch in Lewiston sits in the 2nd poorest census tract in the State of Maine. On a daily basis we watch members and our community struggle with situational and generational poverty. We watch our immigrant community challenged with navigating the US financial system and building trust with financial institutions. And all too often we see our members and our community **relying on predatory lenders that are further harming their economic situation.**

The OCC rule passed in December 2020 allowing banks and federal savings and loans to provide their charter for online lenders to deliver high-cost loans with annual rates exceeding 100% that evade State consumer protections and usury caps. Predatory lenders have continued to seek ways evading strong state protections. In this scheme also known as "rent-a-bank," online lenders essentially rent bank charters and documentation to originate their loans in the name of the OCC-chartered banking institution, arguing that it is now a "bank loan" exempt from state rate caps.

These schemes are not new. State attorneys general, courts, and federal bank regulators had effectively shut down earlier payday loan rent-a-bank schemes. Relying on a centuries-old anti-evasion doctrine, courts followed the money to find that the payday lender, not the bank, was the true lender. The OCC rule enables and authorizes this type of lending arrangement. Contrary to statements made under the previous administration, the OCC rule will add to, rather than relieve, the burdens of high-cost lending. As an example, **members of Community Credit Union are paying upwards of $25,000 a month to payday lenders**, including those with physical locations and those who are lending online. This amount is consistent month after month which suggests that our members continue to borrow with these payday lenders, or our members continue to remain in debt and are paying high fees that keep them in debt rather than allow them to pay down their debt. Either scenario is disappointing and deepens our member's financial hardships.

These payday lenders are operating on an uneven playing field, relying upon the benefits of the OCC pre-emption to circumvent consumer protections and place borrowers in harms' way. What is most concerning is the lasting damage this form of wealth extraction has on household financial security and on communities. Given the damage caused by these high-cost, unaffordable loans to borrowers' balance sheets, it limits the ability for legitimate and responsible lenders to support those households and communities with productive credit.

At a time when low-income consumers can least afford it, the OCC rule is enabling high-cost lenders to people in even more precarious financial footing and shorten the reach of other COVID-relief efforts. We urge your support on the Senate Resolution to stop this harmful practice.

We look forward to future discussions on this important issue and opportunities to weigh in more deeply.

Sincerely,

Jennifer M. Hogan

Jennifer M. Hogan, President/CEO
Community Credit Union – Lewiston, ME