



Protection from Predatory Products

Problem: People of color, particularly Black and LatinX people are targeted with higher interest rate loans, account fees, abusive debt collection practices, and discriminatory insurance practices. Since it was created in 2011, the Consumer Financial Protection Bureau (CFPB) has returned over \$12 billion to people who have been harmed by predatory financial practices and products. Its efficacy is [under attack](#) at a time when we need more protection.

Proposal: The CFPB creates rules to give us choice, supervises and regulates financial companies, and enforces federal laws by investigating cases of wrongdoing. Proposals to strengthen it include:



- Regulating payday lending by prohibiting them altogether or minimally imposing a 36% or less annual rate cap (inclusive of all fees and charges),
- Strengthening fair lending laws by increasing access to mainstream finance and revolving credit,
- Protecting us from abusive debt collection practices by excluding consumers assets from collection,
- Establishing a credit rehab process for us by revamping how credit scores are calculated and establish a publicly-run credit registry,
- Safeguarding student borrowers by increasing borrower protections and simplified income-driven repayment plans.

WHAT DO YOU THINK?

- How might we codify CFPB's authority to enforce regulation, not just provide education to consumers?
- How should the CFPB think about the above proposals so that they benefit people of color?
- Are there other things that the CFPB should do?

Resources:

- Check out the Demos [report](#) on publicly-run credit registries
- This [factsheet](#) has extensive background on attacks to CFPB
- Also check out the Pew Charitable Trust report [Payday Lending in America](#)