

December 17, 2018

The Honorable
Director Kathy Kraninger
Bureau of Consumer Financial Protection
1700 G Street, NW
Washington, DC 20552

Dear Director Kraninger:

Congratulations on your first week as Director of the Bureau of Consumer Financial Protection. The American Financial Services Association (AFSA) and its members look forward to working with you over the next several years.

We'd like to begin by sharing a little bit about the association. Starting at the beginning – the year was 1916. Woodrow Wilson was reelected president. World War I raged in Europe. Jazz was the newest fad in music. Prohibition was just a few years away.

It was also a time when the average American wage-earner had difficulty getting a small personal loan. Commercial banks generally limited personal loans to the more affluent and to their bank depositors. State usury laws often set limits that made it unprofitable for legitimate lenders to make small cash loans. With few borrowing options available, many consumers resorted to loan sharks.

A group of lenders decided to change this situation. On April 19, 1916, forty-one representatives from seven state small loan associations gathered in Philadelphia to form an organization first known as the American Association of Small Loan Brokers. Their objective was to “uplift and dignify borrowers and rates that will yield a fair return to the lender ...” Their motto was “For Fair and Lawful Methods.”

Moving forward, the 1920s marked the beginning of the automobile era. The installment method of financing cars – virtually unknown before World War I – spread quickly. By 1925, installment lending accounted for over 75 percent of all car sales. Nearly 20 million cars were on the rapidly improving roads.

Skipping ahead several decades, the association, now known as AFSA, has become the national trade association for the consumer credit industry, protecting access to credit and consumer choice. AFSA members provide consumers with many kinds of credit, including traditional installment loans, mortgages, vehicle financing, payment cards, and retail sales finance. Today, the finance company market is over \$533 billion. AFSA has over four hundred members.

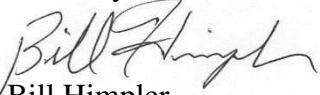
AFSA also started an education foundation (AFSAEF), which created MoneySKILL®, a free, online financial education course that teaches students money-management fundamentals. The course has had over 880,000 registered users.

AFSA supports the Bureau's mission to make consumer financial markets work for consumers, responsible providers, and the economy as a whole. Recently, we have been engaged with the Bureau in its rulemakings on debt collection, small-dollar loans, small business data collection, and the Home Mortgage Disclosure Act. We

have worked with the Bureau on the consumer complaint database and other data collection efforts. This year, we also responded to the Bureau's requests for information on policies and procedures. Lastly, our members have a keen interest in the Bureau's enforcement activities, especially as they relate to fair lending.

Again, congratulations on your new position. If you have any questions about AFSA, its mission, or its members, you are welcome to contact me at 202-466-8616 or bhimpler@afsamail.org. We look forward to meeting you in the new year.

Sincerely,

A handwritten signature in black ink that reads "Bill Himpler". The signature is written in a cursive style with a large, stylized "B" and "H".

Bill Himpler

President-elect

American Financial Services Association