

December 14, 2020

Hon. Kathy Kraninger
Comment Intake
Bureau of Consumer Financial Protection
(Attention: PRA Office)
1700 G Street, NW
Washington, DC 20552

Re: *Payday Loan Disclosure Testing*
Docket No. CFPB-2020-0035

Dear Director Kraninger:

The American Financial Services Association (AFSA)¹ appreciates the opportunity to comment on the payday loan disclosures designed by the Consumer Financial Protection Bureau (CFPB). AFSA members do not offer payday loans, and so our comments are limited to one point.

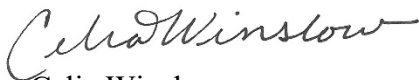
We firmly believe that the definition of “payday loan” should be included in all of the documents, but especially in the “Initial Screener” questionnaire and the “Introduction of the Interview” transcript. Without a specific definition, the responses may include data that relates to other types of lending.

One of the supplementary documents included as part of the information collection request is a Deferred Presentment Services Agreement. The definition of a deferred presentment transaction is generally a transaction for a fee involving accepting a check dated on the day it is written and held for a period of time before it is deposited. We suggest that the CFPB use that simple definition.

In other words, the CFPB could include the following definition: “A payday loan is a transaction for a fee involving accepting a check dated on the day it is written and held for a period of time before it is deposited. Payday loans DO NOT include loans that are paid back in equal monthly payments over a set period of time.”

We appreciate the CFPB’s time and attention in this area. Please contact me by phone, 202-776-7300, or email, cwinslow@afsamail.org, with any questions.

Sincerely,



Celia Winslow
Senior Vice President
American Financial Services Association

¹ Founded in 1916, AFSA is 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, direct and indirect vehicle financing, payment cards, and retail sales finance.