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**Payday Advance Industry to Oppose the “Payday Loan Reform Act of 2009”
Gutierrez Bill Goes Too Far, Sets Fees, Preempts Laws in 34 States**

Washington, D.C.— Payday lending legislation, H.R. 1214, introduced by Rep. Luis Gutierrez (D-IL) prevents competition in the marketplace, preempts the laws in 34 states and puts tens of thousands of jobs at risk, according to the Community Financial Services Association of America (CFSA), the national trade group representing more than half of the payday advance industry.

“CFSA has a long-standing record of advocating for responsible regulation of the payday advance industry and strong consumer protections for our customers,” said D. Lynn DeVault, president, CFSA, “But this bill goes too far, most notably in establishing a national fee cap for payday loans, one small segment of the short-term credit market. We’re aware of no other short-term credit product that has a national fee cap, certainly not bank and credit union NSF and overdraft protection fees or credit card late fees,” said DeVault.

“H.R. 1214 will significantly reduce the maximum fees that have been set by the legislatures in 24 states, but does nothing to protect lenders from having their fees cut from the bottom end, even to the point of extinction in any state,” DeVault added.

“Thirty-four state legislatures have studied payday lending thoroughly and enacted laws that protect their constituents and preserve their access to small dollar short-term credit. This bill would preempt much of those state efforts,” said DeVault.

The Payday Loan Reform Act of 2009 contains many consumer protections that CFSA does support, some of which are provisions of CFSA’s industry best practices that have been codified into many state laws across the country, such as the repayment plan. This, the full disclosure requirements and other protections in the bill are all fully supported and promoted by the association.

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About the Community Financial Services Association of America

The [Community Financial Services Association of America \(CFSA\)](http://www.cfsa.org) is the only national organization dedicated solely to promoting responsible regulation of the payday advance industry and consumer protections through CFSA’s Best Practices. As such, we are committed to working with policymakers, consumer advocates and CFSA member companies to ensure that the payday advance is a safe and viable credit option for consumers.

For up-to-date news and information on the payday lending industry, visit www.paydaypundit.org.