

March 23, 2020

The Honorable Mitch McConnell
Majority Leader
Unites States Senate
S-230, The Capitol
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
Unites States House of Representatives
H-232, The Capitol
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
Unites States Senate
S-221, The Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
Unites States House of Representatives
H-204, The Capitol
Washington, DC 20515

"If you lend money to My people, to the poor among you, do not act toward them as a creditor; exact no interest from them." [EXODUS 22:24]

"Truly, I say to you, as you did it to one of the least of these my brothers, you did it to me." [MATTHEW 25:40-45]

Dear Senate Majority Leader McConnell, Senate Minority Leader Schumer, House Speaker Pelosi, and House Minority Leader McCarthy,

As we continue to navigate the COVID-19 pandemic, many families are finding themselves facing financial crises and despair. These families, many of whom were already struggling before the pandemic disrupted jobs, schools, and lives, will come out of this crisis much worse off financially than before¹. Moreover, we know that in times of crisis, predatory lenders prey on the economically vulnerable more than ever, offering "credit" with triple-digit interest rates and high fees. Because we know that the worst time to cut off responsible credit is during and after a crisis, we as faith leaders write to urge you to protect the financially vulnerable by ensuring they are not condemned to a cycle of debt and that they are able to navigate this crisis without falling deeper into debt or economic instability.

Each year, many households face financial crises. Over the last several decades, high-cost lending to those in need has increased significantly. Nearly 16,000 payday and car title loan stores operate nationwide. Taking advantage of loopholes and a weakening of traditional usury laws, many of these lenders now offer loans at 300% APR and higher. Far too often, the result is families trapped in a cycle of debt with even less ability to pay the bills, keep food on the table, save for the next emergency, or provide for their children.

¹ Heather Long, 'This doesn't look like the best economy ever': 40% of Americans say they still struggle to pay bills' Washington Post, July 4, 2019, available at https://www.washingtonpost.com/business/economy/this-doesnt-look-like-the-best-economy-ever-40percent-of-americans-say-they-still-struggle-to-pay-bills/2019/07/04/855c382e-99b5-11e9-916d-9c61607d8190_story.html.

Data from the Consumer Financial Protection Bureau shows 80% of payday loans are rolled over or followed by another loan within 14 days. Thus, there is a high probability of default for existing payday borrowers whose employment has ceased or their hourly wages face a significant decline due to the current pandemic. These consumers can face excessive NSF fees and back account closures.

Scripture condemns usury and teaches us to respect the God-given dignity of each person and to love our neighbors rather than exploiting their financial vulnerability. Thus, just lending is a matter of Biblical morality and religious concern. Fairness and dignity are values that should be respected in all human relationships including business and financial relationships.

Now, in this time of crisis and uncertainty, it is time to stem the tide of these predatory loans. We call on you to prevent the exploitation of households and families through the payday debt trap. **We ask for your support for families in the pending stimulus package by extending the Military Lending Act to all new loans made during the crisis, including the MLA's rate cap of 36% APR.**

This rate cap has a proven track record. The Military Lending Act prohibits lenders from charging military servicemembers and their families more than 36% APR. This limit was proposed by the Defense Department after finding that high-interest loans were devastating troops' finances and harming force readiness. It was enacted with strong bipartisan support in 2006.

Currently, 16 states and the District of Columbia cap small dollar loan rates at 36% or lower. Their residents, around 100 million Americans, use various methods to address budgetary shortfalls – such as utility payment plans and credit cards – without the exorbitant cost or harm of high-interest credit. Strong interest rate caps are also popular across party lines. Voters in Arizona, Colorado, Montana, Ohio, and South Dakota have overwhelmingly approved them by ballot initiative.

Moreover, because so many Americans are already struggling underneath the burden of these debt traps, it is imperative that your package also provide for a moratorium on evictions and foreclosures for renters and homeowners for at least 6 months and prohibit debt collection activities during this crisis. Families should not have to face displacement, garnishments, offsets and repossessions.

Finally, it is crucial that student debt relief be a part of this package. Many of us either have student debt or serve parishioners who have student debt. **Thus, on behalf of them and the other 44 million Americans with student debt, we urge you to include broad universal debt forgiveness for all federal student loan borrowers (including PLUS loan borrowers) with a guaranteed minimum of \$20,000 to ensure the benefits of cancellation reach the lowest income and most vulnerable borrowers.** With millions in default or delinquent for small amounts, it is essential that we address this issue.

Collectively our organizations and denominations represent millions of faith traditions, denominations, and congregations across the country. Our churches and charities are actively engaged in efforts to end poverty, alleviate suffering and promote opportunities for all people to flourish. We respectfully ask you to ensure that this public health emergency doesn't become a deeper financial pit for individuals and families.

Sincerely,

National

African American Ministers in Action
Bend the Arc Jewish Action
Cooperative Baptist Fellowship
MPAC – Mobilizing Preachers and Communities
National Baptist Convention, USA, Inc.
National Advocacy Center of the Sisters of the Good Shepherd
United Church of Christ, Justice and Witness Ministries
Urban Divinity School
Samuel Dewitt Proctor Conference
Sustainable Equity, LLC
WYSSU Enterprises, LLC

State and Regional

Carolina Jews for Justice
Miller Street Neighborhood Renewal (Florida)
Missouri Faith Voices
Project GREEN (Michigan)
The Ohio Council of Churches

Churches/Ministries

Friendship-West Baptist Church
Dallas, Texas

Jackson Revival Center Church
Jackson, Mississippi

Mt. Helm Baptist Church
Jackson, Mississippi

Full Gospel Baptist Church
Jackson, Mississippi

Greater Antioch MB Church
Jackson, Mississippi

The Word Full Gospel Baptist Church
Jackson, Mississippi

King's Temple Missionary Baptist
Church
Clarksdale, Mississippi

New Bethel AME
Jackson, Mississippi

Mt. Charity Baptist Church
Jackson, Mississippi

Reigning Life Family Church
Albany, New York

First Baptist Church
East Elmhurst, New York

Mt. Pleasant UMC
Fayette, Mississippi

St. John UMC
Natchez, Mississippi

Kindling Star Missionary Baptist
Church
Greenville, Mississippi

Ebenezer Missionary Baptist Church
Meridian, Mississippi

Cooperative Baptist Fellowship of
Mississippi
Clinton, Mississippi

Individual

Rev. Dr. William E. Flippin Jr.
Assistant to the Bishop
Director of Evangelical Mission
Southeastern Pennsylvania Synod
(Evangelical Lutheran Church in
America)
Philadelphia, Pennsylvania

Jazmyne Fuentes
Oakdale Park Church
Grand Rapids, Michigan

African Methodist Episcopal Church
Jacksonville, Florida

Greater New Salem Primitive Baptist
Church
Tampa, Florida

Wesley Memorial United Methodist
Church
Richmond, Virginia

Mt. Zion M.B. Church
Sioux City, Louisiana

Tabernacle Baptist Church
Augusta, Georgia

Church on Purpose
Omaha, Nebraska

Mary Anne Michelet
Society of St Vincent DePaul Voice of
the Poor
Peoria Heights, Illinois

Dr. CJ Rhodes
Pastor
Mt. Helm Baptist Church
Jackson, Mississippi

Pastor Cordell Fields
Ministry
Jackson, Mississippi

Nate Thurman
Educator
Non-denominational
Jackson, Mississippi

Rev. Brigitte Franklin,
Inner City Baptist Church
Indianapolis, Indiana

Rabbi Salem Pearce
T'ruah: The Rabbinic Call for Human
Rights
New York, New York

Minister Tony G. Anderson
Bolivar County Baptist Association
Renova, Mississippi

Pastor Wesley Bridges
UWM
Jackson, Mississippi

Minister Tiffany Wheeler
Mt. Helm Church
Jackson, Mississippi

Minister Yulise Waters
Abundant Life AME Church
Dallas, Texas

Pastor Marvin Jay Johnson
Abounding Grace Church
Jackson, Mississippi

Pastor Reginald Glenn
Southside Baptist Church
Jackson, Mississippi

Pastor Fredricc G. Brock
The Message Church
San Antonio, Texas

Pastor Rickey Scott
East St. Peter Missionary Baptist
Church
Abbeville, Mississippi

CEO Dan Thomas
Blueprint Services Group
Oklahoma City, Oklahoma

Minister Carlos Baggage
Philippians Church of God in Christ
Columbus, Georgia

Pastor Lionel Traylor
Jackson, Mississippi

Minister James Fuller
Mt. Charity Baptist Church
Jackson, Mississippi

Pastor Lesley T Mabry
St. Paul Missionary Baptist Church
Amory, Mississippi

Rev. Sekinah Hamlin
Executive Supply Pastor
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