

A Year in Review: Consumer Protections in 2013

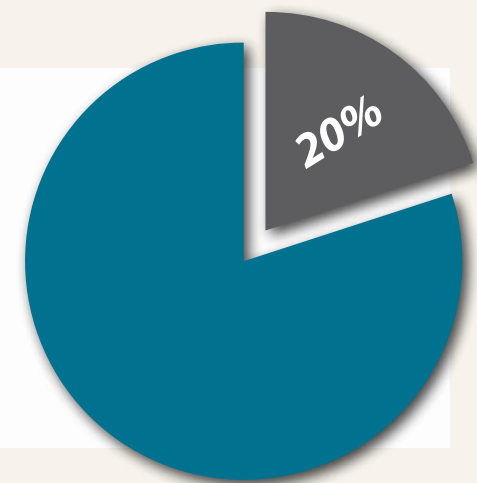


THE PROBLEM: Consumer Financial Products and Services Need Further Reform



\$7.7 BILLION:
ANNUAL FEES
paid by consumers for
payday + car-title loans

20%
of consumers
experienced **ERRORS**
on their credit reports



1 in 10
Americans
are pursued by debt collectors

30%
OF STUDENT LOAN
BORROWERS in the
repayment period
are delinquent

\$15 BILLION: ANNUAL CONSUMER SAVINGS DUE TO CARD ACT REFORMS

THE CHANGES: Key Developments in Consumer Protections in 2013

GAINS



**NEW BANK
PAYDAY
RULES**
The FDIC
and OCC
issue bank payday rules,
which prompts banks to
stop offering 300% loans



Western Sky, an online payday lender, stops payday lending after strong actions by state regulators



Two states passed bills that strengthened oversight of debt buyers (CA, MN)

\$98M
Settlement

Ally Financial pays \$98 million to settle claims that the dealers marked up interest rates on auto loans to borrowers of color



CONSUMER
FEDERAL
PROTECTION
BUREAU

CFPB collects and makes public consumer complaints about many financial products and services

HOLDS

- Bills that would have expanded payday or car-title lending fail in 6 states (AL, NC, NV, NY, TX, WA)
- Bills that would have weakened consumer protection limits on debt settlement companies fail in 8 states (GA, HI, LA, NJ, NM, NY, WA, WV)
- Bills that would have placed restrictions on debt buyers fail in 4 states (CT, NY, OR, WA)

HARMS

- Three states pass laws that increase the costs of consumer installment loans (NC, FL, IN)
- Some fees on credit cards are no longer considered in calculating the maximum allowable fees (CFPB rule amended)
- Three states pass laws that make it easier for debt collectors to pursue debtors based on limited evidence (AR, LA, TN)

THE STRATEGY: How Effective Reform Happens



Federal regulators actively promoted consumer protections

The CFPB led the way with enforcement actions in areas such as payday lending, auto lending, and debt settlement. They also promoted change through research, investigations, and data released on student lending, credits cards, bank fees, and other consumer lending issues.



CONSUMER
PROTECTION
BILLS

State legislators promoted consumer protection bills.



LENDERS IMPROVE

Some lenders improved their products and services voluntarily.



STATE
REGULATORS

State regulators enforced consumer protection laws, in some cases aggressively and in the face of industry lobbyists.



CENTER FOR
**RESPONSIBLE
LENDING**

The Center for Responsible Lending is a nonprofit, non-partisan organization that works to protect homeownership and family wealth by fighting predatory lending practices. Learn more at responsiblelending.org.