

Attendees at the NCLR Annual Conference in Orlando stop to take a photo to show their support for the #StopTheDebtTrap campaign.

RISE UNBURDENED

#StopTheDebt Trap

The U.S. economy has improved, but Latinos still lag behind other racial and ethnic groups in several areas that are essential to attaining economic security. Working with its Affiliate Network, NCLR integrates advocacy, career development training, and asset-building support to improve Latino economic mobility and help families move beyond living from paycheck to paycheck.

stopping PREDATORY LENDERS

Saving money can seem like a simple goal, but when you're living paycheck to paycheck, it's not always easy. Joe knows this all too well. After seeing combat during the Iraq War, Joe returned home and found work in Spokane. Still, he had trouble making ends meet. One month, he came up short. He took out a \$200 loan at a payday lender near his home and planned to pay it back within two weeks. But the interest fees were so outrageous that he's taken out more loans to cover them.

When cash is tight, short-term payday loans are a way to get small sums of money that are typically due on your next payday. They seem like a saving grace, but because they can carry an interest rate of up to 400%, they quickly become nightmares. For Joe, and many others like him, his \$200 loan has turned into a debt trap. "I've probably paid between \$1,500 and \$2,500 in fees," he says. "It's horrible. It felt like I was suffocating."

That's why NCLR supported the **Consumer Financial Protection Bureau's (CFPB)** efforts to propose a rule requiring lenders to determine whether borrowers

could afford to pay back their loans. Working with the Stop the Debt Trap coalition of more than 500 organizations, **NCLR helped submit over 400,000 comments to the CFPB to ensure the rule took the needs of the Latino community into account**, and that it would truly put an end to the debt trap that has allowed this industry to profit off vulnerable consumers.

Together with its Affiliate Network, NCLR expanded efforts to connect borrowers with financial counselors in our network. By leveraging Affiliate programs like **Mission Asset Fund's Lending Circles**, NCLR connected borrowers with other ways to get small-dollar credit.

While we wait for the CFPB to issue a final rule, NCLR and other partners achieved a major victory when **Google agreed to ban payday loan ads, joining Facebook and other advertisers**. The decision will limit predatory lenders from targeting vulnerable consumers. Joe's still hard at work repaying his loans, but with our Affiliates and partners, we're committed to making sure this never happens again.

BY WORKING WITH A COALITION OF COMMUNITY-BASED ORGANIZATIONS, NCLR WAS SUCCESSFUL IN ADVOCATING FOR THE BAN OF PAYDAY LOAN ADS ON GOOGLE.

OUR EFFORTS TO STOP THE DEBT TRAP

7,000 signatures of concerned families collected by NCLR and submitted to the CFPB

400,000+ comments collected and submitted to the CFPB

50+ community partners available to provide financial counseling services in NCLR's network

To learn more about how NCLR is ensuring the economy works for all Americans, or visit www.nclr.org/issues/economy.