
From:
Sent: Friday, May 17, 2013 5:13 PM
To: Comments
Subject: Banks should not make 'payday loans'

To whom it may concern,

I am writing to you in support your efforts to stop predatory lending by banks through payday loans.

I agree that banks should verify a borrower's ability to repay the loans, disclose an annual percentage rate for the loans, wait a full billing cycle between loans and ensure that a customer pays off existing loans before more can be provided.

Ensuring that borrowers can afford to repay these loans makes sense for the lender and the consumer. Banks should be encouraged to make affordable short-term loans to people in need. Offering predatory "payday advance" loans is not safe and sound banking practice.

The common sense standards that are proposed would help limit banks from offering short-term, high cost loans that trap borrowers in debt.

These loans are supposed to be for emergencies but they are not typically used that way. Instead, people borrow with every intention to pay back the loan at the next payday, but when they cannot do so, they get caught in a debt spiral.

Thank you for proposing limits to these high-cost, predatory loans.

Wheaton, IL