
From: ian@npa-us.org on behalf of Jonathan Kissam <jk@webskillet.com>
Sent: Wednesday, May 22, 2013 8:36 PM
To: Comments
Subject: Comment on Proposed Guidance on Deposit Advance Products

Robert E. Feldman, Executive Secretary
Attn: Comments
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, DC 20429
Via Email: comments@fdic.gov

I am writing to comment on the guidance recently proposed to put an end to the most abusive practices of bank payday lending products. First, thank you for acting to address this issue and publicly recognizing that big bank payday lending is every bit as toxic and destructive as storefront payday loans with the added danger of direct access to vulnerable consumer's checking accounts.

The measures proposed are a good start. Both requiring that these loans be truly underwritten, including a true ability to pay standard, and limiting the number of loans a person can obtain are crucial and must be maintained in the final guidance.

To improve the guidance, and therefore improve outcomes for consumers, communities and the safety and soundness of the banks, the OCC and the FDIC should also include the following:

- * Limit the fees and costs to an annualized percentage rate of 36% while not preempting lower rates in some states.
- * Extend the cooling off periods so banks can offer only 3 loans per year instead of the current 6 per year.
- * Prohibit bank funding of 'traditional' storefront payday and car title lenders.

As your guidance and the white paper recently released by the CFPB points out, payday lending is a dangerous product that preys on some of the most vulnerable, trapping them in often inescapable cycles of debt. This holds true for all forms of payday lending and while we applaud your efforts to ensure banks aren't directly involved in offering products that foster these practices, you must move forward and ensure that banks are not, through their over \$1 billion combined direct funding of storefront predatory payday lending.

Sincerely,
Jonathan Kissam
Burlington, Vermont 05401