

## **[Banking and Finance Law Daily Wrap Up, CONSUMER FINANCIAL PROTECTION BUREAU—D.C. Cir.: Payday lenders appeal denial of injunction against Operation Choke Point, \(Mar. 16, 2017\)](#)**

Banking and Finance Law Daily Wrap Up

[Click to open document in a browser](#)

By [Richard A. Roth, J.D.](#)

A group of payday lenders that were unable to block federal regulators' Operation Choke Point-related activities have asked the U.S. District Court for the District of Columbia to reverse the U.S. district judge's order. The judge refused to issue a preliminary injunction after deciding that the lenders were not likely to be able to prove a denial of their due process rights (see [Advance America v. FDIC](#), *Banking and Finance Law Daily*, March 2, 2017). The notice of appeals was filed on March 14, 2017 (as reflected in No. 142 on the [court's docket](#)).

The lenders' suit claims that federal regulators relied on concerns over risk to bank's reputations to coerce banks into severing relationships with them. The regulators, however, say that banks can do business with payday lenders as long as they are able to manage the resulting risks properly.

The U.S. district judge reached his decision after noting that the lenders presented evidence about how many banks had stopped offering services, but had not offered any evidence showing that services were not available elsewhere. The judge relied on the fact that, as far as the evidence showed, no payday lenders had gone out of business because they could not obtain the banking services they needed.

She also was skeptical about the lenders' ability to prove that the regulators actually had exerted pressure on the lenders' banks.

Companies: Advance America; Cash Advance Centers, Inc.; Check Into Cash, Inc.; NCP Finance Limited Partnership; NCP Finance Ohio, LLC; Northstate Check Exchange; PH Financial Services, LLC

LitigationEnforcement: BankingFinance ConsumerCredit DistrictofColumbiaNews FedTracker  
TrumpAdministrationNews UDAAP