Ms. Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street NW  
Washington, DC 20552

Re: Docket No. CFPB-2016-0025

To whom it may concern:

I am writing to express my strong concerns about the Consumer Financial Protection Bureau’s proposed rule on short-term lending.

For more than seven years, I have represented a state that effectively regulates short-term lending. Our experienced local regulators and policymakers have crafted laws that offer our residents a range of protections that successfully balance consumer protection with equitable access to credit. However, as proposed, the regulations will preempt these laws and prescribe test lab solutions without ever attempting to examine our state regulatory approach or the actual effects on consumers who depend on regulated payday loans.

This prescriptive, “one-size-fits-all” approach will undoubtedly eliminate the regulated, storefront industry in my state. The proposed rules—weighing in at an astonishing 1,333 pages and containing 414,233 words—set requirements that no small operator can meet. They threaten to immediately destroy small businesses, while subjecting larger operators to a slow death. Small businesses play a critical role in the state of South Carolina, and this proposal will force most of the storefronts in my state to close, bringing a huge blow to employees and communities alike.

I am also concerned about the Bureau’s rulemaking process. Instead of seeking feedback directly from the source—consumers—the Bureau relied on flawed and incomplete research to adopt rules that will ultimately limit millions of Americans’ access to a range of credit products. For instance, the CFPB admitted that its April 2013 white paper on short-term lending—which formed the backbone of the proposed rules—overcounted high-intensity, repetitive borrowers. Unfortunately, it appears that those with no need for payday loans are leading the charge to eliminate them.

Prior to issuing final rules on the short-term lending industry, I encourage the Bureau to consider the real-world implications that such arduous rules will have on state regulatory frameworks, businesses, and most importantly, consumers.

Sincerely,

Shane Martin, Senator  
South Carolina District 13

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