

# Axne Applauds House Passage of Bill to Protect Iowans from Predatory Lending



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***Legislation would reestablish CFPB's Office of Students and Young Consumers and restore supervision to prevent unscrupulous lenders from targeting active duty military***

WASHINGTON, DC – Today, the House passed the Consumers First Act which would better protect vulnerable Iowans, including students and active duty military, from predatory lending practices. The Consumers First Act, legislation Rep. Axne co-sponsored (</media/press-releases/axne-sponsors-bill-protect-vulnerable-iowans-predatory-lending>) on March 6, would direct the

Consumer Financial Protection Bureau (CFPB) to re-establish offices dedicated to protecting student borrowers and require the CFPB to resume their examinations to protect active duty military from unscrupulous lenders.

College graduates owe more than \$1.5 trillion in student loans nationwide, making recent graduates particularly vulnerable to predatory lending practices. In Iowa, 65% of college students graduate with student loans, with an average of almost \$30,000 of debt. The Office of Students and Young Consumers at the CFPB is solely dedicated to protecting student loan borrowers. However, the CFPB recently scrapped this office. The Consumer First Act would re-establish this crucial office in order to provide assistance and protections for Iowans currently strapped with student loan debt.

"Our student loan crisis isn't just hurting Iowa students, it's hurting our economy. Iowans crippled with student loan debt are less likely to buy a home, start a small business, or even start a family," **said Rep. Axne, a member of the House Financial Services Committee.** "The problem is only magnified by predatory lenders who target cash-strapped students. It is far too common for recent graduates desperately seeking to repay their loans to end up deeper in debt due to unscrupulous lenders. We need to help recent graduates protect themselves from predatory lending so they can get back on their feet and help grow our local economies."

Iowa currently has 255 active duty men and women, with another 10,000 national guard members. The Military Lending Act was enacted into law in 2006 to protect active duty military, their spouses and their children from predatory lending practices. The Consumer Financial Protection Bureau recently stopped supervisory examinations which are critical to uncovering patterns of illegal practices of predatory lenders targeting active duty military. The Consumer First Act would require the CFPB supervise lending practices.

"The Military Lending Act serves a crucial role in protecting our servicemembers and their families from predatory lending practices, and we should be doing everything we can to protect them," **said Rep. Axne.** "Service members and their families have sacrificed so much to protect our country, we owe it to them to proactively protect them from financial harm."