September 3, 2020

Acting Comptroller of the Currency
Brian Brooks
400 7th St SW
Washington, DC 20219

Re: Comments on Proposal "National Banks and Federal Savings Associations as Lenders" Docket ID: OCC-2020-0026 RIN 1557-AE97

Dear Mr. Brooks:

We, the undersigned representatives of Georgia-based organizations, write in opposition to the Office of the Comptroller of the Currency's (OCC) proposed "National Banks and Federal Savings Associations as Lenders" rule ("true lender rule"). Through our ongoing work and advocacy, we represent the interests of the approximately 40% of families, veterans and individuals stuck in a cycle of debt throughout the state of Georgia.[1] The proposed rule could override Georgia's true lender doctrine and put our state usury cap at risk, thereby harming the communities we serve. We urge the OCC to reject the proposed rule that could erode state-level consumer protections against predatory lending.

At its core, the proposed "true lender rule" could create a loophole that could allow predatory lenders to exploit rent-a-bank schemes to evade Georgia's strong consumer protection laws. Non-bank predatory lenders have long sought shelter in banks' exemptions from state usury limits by laundering their high-interest loans through banks. Interest rates on these rent-a-bank loans often exceed 100%. States like Georgia have successfully stamped out rent-a-bank schemes by exposing that the true lender is in fact the non-bank predatory lender that is involved from the outset and has the main economic interest in the loan. However, the OCC's proposed rule provides that the bank is the "true lender" so long as the bank's name is on the loan agreement or the bank funds the loan. This rule could make it exceedingly easy for rent-a-bank schemes to assert that the non-bank is the "true lender." In effect, the OCC's proposed rule could ensure that predatory lenders are off the hook if they are involved in rent-a-bank schemes. In doing so, the rule could eviscerate Georgia's usury cap and limit the state's ability to protect Georgians from predatory lending.

Our experience demonstrates that people are better off without these harmful, high-cost, unaffordable loans. While Georgia has a ban on payday lending, our citizens still face the debt trap caused by car title loan. This is particularly detrimental to Georgia's veterans and communities of color, populations that car title lenders target and exploit. With the economic instability tied to the pandemic, now would be the worst

[1] In 2019, approximately 40% of adults with a credit report in Georgia had a debt in collection, according to the National Consumer Law Center. See "Debt Collection in the States," *National Consumer Law Center*, available at https://www.nclc.org/images/pdf/debt_collection/fact-sheets/fact-sheet-debt-collection-complaints-in-states.pdf.

time to increase risk of financial exploitation for already vulnerable, cash-strapped families. For this reason, we urge the OCC to reject this proposal and, instead, put the rights and well-being of consumers first.

On behalf of Georgia consumers, thank you for your consideration of these comments.

Sincerely,

Liz Coyle

Elizabeth B. Coyle
Executive Director

On behalf of these Georgia organizations: