



CENTER FOR SURVIVOR AGENCY & JUSTICE

FOR IMMEDIATE RELEASE:

CSAJ and Advocates Against Domestic and Sexual Violence Fight to Strengthen Regulations on Payday Lending

Consumer Financial Protection Bureau can stop the debt trap and violence created by payday loans

WASHINGTON, DC — Debt is more than a financial problem for survivors of domestic and sexual violence. Debt creates a financial trap that presents barriers to long-term safety. One of the most predatory debt trap practices is payday loans—loans which lead to long-term debt and other economic consequences. As a result of payday loans, survivors are often forced to choose between safety and economic security.

"Payday lending presents enormous economic and physical safety risks for domestic violence and sexual assault survivors," said Erika Sussman, Executive Director of the Center for Survivor Agency and Justice. "These companies perpetuate violence through economic exploitation."

The debt trap for survivors cycles through seven steps, which CSAJ released in a [series of graphics earlier](#) this month. Sussman shared one survivor's story:

"Jane, from St. Louis, MO, experienced financial challenges when she left an abusive relationship. Because her safety net had been depleted as a result of the abuse, she took out payday loans in order to pay creditors and to keep her utilities on, despite the astronomical interest rates. Soon Jane was unable to repay the loans, was desperate for cash, and afraid for her safety. She teetered on the edge of eviction and bankruptcy."

To stop the debt trap and end the coercive control that compounds survivors' economic insecurity, CSAJ is working with a national coalition of domestic violence and sexual assault agencies and consumer partners. As a group, these

organizations are submitting comments that ask the Consumer Financial Protection Bureau to strengthen proposed payday loan restrictions. "While the CFPB has taken meaningful action to curb the exorbitant interest rates, debt traps, and collections practices of payday lenders, its proposed rules are not strong enough," Sussman said.

The new regulations will not change current practices enough and may make enforcement unlikely, while creating new footholds in states that currently ban payday lending. "This presents dangerous implications for survivors of domestic and sexual violence who are at particular risk of economic and physical harm," Sussman said.

The Center for Survivor Agency is taking steps to inform the Consumer Financial Protection Bureau about these harms — and the public can help.

To be a part of the solution:

- Check CSAJ's efforts [here](#).
- Visit stopthedebtrap.org/takeaction and submit comments.
- Learn about future initiatives and get involved by joining CSAJ's [mailing list](#).

The **Center for Survivor Agency and Justice** envisions a world where all people have equal access to physical safety, economic security, and human dignity. CSAJ develops and promotes advocacy approaches that remove systemic barriers, enhance organizational responses, and improve professional practices to meet the self-defined needs of domestic and sexual violence survivors. Find out more at csaj.org, or email info@csaj.org.

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