

*Administration of Barack Obama, 2015*

**Remarks at a Roundtable Discussion on Financial Regulatory Reform and Consumer Financial Protection at Lawson State Community College in Birmingham, Alabama**

*March 26, 2015*

Well, it's wonderful to be here at Lawson State Community College. I want to thank Dr. Ward for his hospitality. We're going to end up addressing a much larger crowd, but I wanted to take time while I was here to have a chance to talk to some people who are extraordinarily active here in Alabama around the issue of payday lending, title lending, and frankly, predatory lending.

Here in Alabama, like in many parts of the country, including my home city of Chicago, a lot of folks will come across some difficult times. Occasionally, something happens, somebody gets sick in the family, although, now they've got the Affordable Care Act—*[laughter]*—hopefully, to fall back on. The car may break down at a bad time; a child may need something. And if things are tight—and many of these communities don't have traditional banking services—too often, they get steered into payday loans.

And the challenge is that the interest rates that are so often charged on these short-term loans, they can be as high as 400 percent, 450 percent interest. It means that a \$500 loan might require \$1,000 in interest on top of the loan.

And I just was hearing a story from Stephen here about a family whose grandmother dies, and they take out a small loan for the funeral, aren't able to pay it back right away, lose their car, and two members of the family then lose their job, and the entire family's financial situation collapses. That's not who we are. That's not who we should be as a country.

And the good news is that the Consumer Financial Protection Bureau that was set up under Wall Street reform announced today that they're going to be initiating regulations to make sure that we're adhering to a basic principle, which is if we're going to have financial institutions provide loans to families and individuals, they've got to make sure that these individuals have the capacity to pay them back, that they're not going to be on the hook and burdened in perpetuity as a consequence of what was a short-term problem. We don't want that translated then into a long-term financial crisis for these families.

It's something that we know States around the country have been able to do, but unfortunately, too many States have not yet taken these steps. By having a Federal rule through the Consumer Finance Protection Bureau, we're going to be able to make sure that more and more people get more protection. And in the meantime, these outstanding folks who are sitting around the table are going to continue to push efforts at the State level to try to make progress.

And it's important to note that this is not a partisan issue. There are Republicans as well as Democrats who care deeply about this issue. There are members of the faith community who see a biblical injunction—*[laughter]*—in not engaging in usury and taking advantage of people at moments where they're most vulnerable. And so we very much appreciate both the Democrats and Republicans here in the State of Alabama who are promoting State-based solutions.

In the meantime, we're going to make sure that we continue to promote solutions at the Federal level as well. And I'm very proud of the Consumer Finance Protection Bureau for promulgating these rules. There's going to be a comment period. There's going to be a lengthy debate. But I'm going to be on the side of making sure that these rules are as strong as possible.

Okay? Thank you, very much. Did I miss anything? [*Laughter*] Thank you, people.

NOTE: The President spoke at 3:14 p.m. In his remarks, he referred to Perry W. Ward, president, Lawson State Community College; and Stephen Stetson, policy analyst, Arise Citizens' Policy Project.

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