

FAITH CREDIT ROUNDTABLE



APRIL 2022 NEWSLETTER



State Spotlight: Michigan

Michigan's Rev. Dallas Lenear of Project GREEN spoke at F&CR's Proverbs 22:22 pray-in to stop predatory lending. Rev. Lenear and a diverse coalition of faith and consumer advocacy groups are working with Michiganders for Fair Lending (MFL) on a petition to cap payday loans in Michigan at a 36% annual percentage rate (APR). APRs on payday loans in Michigan currently exceed 370% and trap consumers in a cycle of debt. If the petition gets 340,047 signatures by the end of May, the initiative will be sent to the

Legislature. If the Legislature does not act on it, the general public will vote on the policy in November. To learn more about the campaign, you can read this [fact sheet](#). For more information on payday lending in Michigan, see this [CRL report](#). To get involved, please spread the word and support the efforts of [MFL](#). Thank you to Rev. Lenear, the state team at CRL, and all of you for your persistent efforts to create an inclusive and fair financial marketplace. Read this [article](#) for an overview of current campaigns to cap rates.

OUR WORK

Clergy and faith leaders have long been powerful voices against abusive lending, and Faith & Credit, CRL's Faith-Based Program, works to amplify these voices through research and policy, campaign support, and religious reflection.

For people of faith, responsible lending is a moral concern. Religious texts warn against usury – the practice of charging excessive or unjust interest – particularly if paying that interest would deprive a person of basic necessities, livelihood or home. Faith leaders are often on the front lines in the fight against abusive lending, working with families who are grappling with foreclosure and debt and calling for economic empowerment through responsible banking.

Bible Verse of the Month

“If thou lend money to any of my people that is poor by thee, thou shalt not be to him as an usurer, neither shall thou lay upon him usury.”

Exodus 22:25

Thank you

Thank you for all of the time and talent you have given to support our vital mission to create a more just world. We are especially appreciative of all who helped lead our Proverbs 22 pray-in on 2/22/22, as well as all who attended—thank you.

Student Loan Update

Prior to the start of the pandemic, the national student debt crisis drained the national economy and had disparate impacts on Black and Latinx communities, as well as women. Regrettably, student debt is a problem for those who are following their call to pursue a career in ministry. In 2018, people who graduated with a Masters of Divinity did so with an average of over \$50,000 in debt. Meanwhile, 57% of clergy believe they do not make a livable wage. While many faith leaders join the clergy because of their calling and not for monetary reasons, the student debt crisis compounds financial instability making it more difficult for clergy to connect with and uplift their communities in this time of uncertainty.

Thankfully, President Biden issued a suspension on the collection of student debt that was set to expire in January 2022 but has since been extended through May 1, 2022. While necessary, the pause did nothing to lessen the overall balances that burden so many people in our communities. During President Biden's campaign, he endorsed student loan cancellation as a result of the pandemic. Now, a year after he was inaugurated, President Biden has yet to cancel any student loans. In August of 2021, the Faith and Credit Roundtable presented our concerns to President Biden and Vice President Harris in a [letter](#) that garnered more than 300 signatures from faith groups and leaders. Thank you to everyone who contributed to that effort.

The Center for Responsible Lending, in conjunction with the United Negro College Fund and the University of North Carolina Center for Community Capital, released a documentary and a series of memos detailing the HBCU student borrower experience. The documentary and memos are available at myyardmydebt.org. Please share this resource with your contacts who have influence on policy. Later this month, CRL is launching a tour of HBCUs where the documentary will be showed, and panels will be hosted. The tour will broaden the conversation of student debt cancellation and urge the Biden administration to act swiftly. To follow the tour, please make sure you are following CRL on social media including [Twitter](#), [Instagram](#), and [Facebook](#).

We may not have a better chance to achieve broad cancellation of student debt. By collectively calling for this righteous policy, we can sow the seed of opportunity for our future generations.

NEW REPORT

High-Cost Debt Traps Widen Racial Wealth Gap in Memphis

On March 23, 2022, the Hope Policy Institute and the Black Clergy Collaborative of Memphis released a report on the effects of high-cost lending on the racial wealth gap in Memphis, Tennessee. The report found that high-cost lenders that offered products with triple digit APRs such as payday loans, car title loans, and flex loans were more likely to be in Memphis's communities of color. Furthermore, the report found there were more than twice the number of high-cost lending storefronts in Memphis than there were McDonalds and Starbucks—combined. In 2021, to prevent the harms of high-cost loans, the Black Clergy Collaborative and Hope Credit Union began a program to connect people with safe financial products. To directly address the debt trap, the report calls upon state and federal policymakers and regulators to protect consumers by capping APRs at 36%. **Read and share the full report and policy recommendations [here](#).**

CONTACT US

If you have any upcoming events or updates, please share them with Tamika McGhee. We would love to include them in our May Newsletter. Also, please follow us on Facebook to stay in the loop!

Email:

Tamika.McGhee@responsiblelending.org

Facebook Group:

[@FaithandCredit](#)



Oportun Story Collecting Initiative

Oportun is a non-bank lender who has engaged in disturbing debt collection practices aimed at Latinos and immigrants. During the pandemic, Oportun [sued](#) low-income Latino borrowers. Oportun promised to reform its practices after CRL and a [coalition](#) of groups successfully defeated Oportun's bid for a national bank charter.

CRL is currently looking for stories from people who borrowed from Oportun in 2021 or 2022 and were sued or faced difficulty refinancing a consumer loan.

Oportun currently operates in Arizona, California, Florida, Idaho, Illinois, Missouri, New Jersey, New Mexico, Nevada, Texas, Utah, and Wisconsin. If you live in one of these states, please consider sharing one [of these flyers](#) in English or Spanish with your community, and notify CRL if you hear about harsh debt collection practices by Oportun or any other lender. The flyers can be downloaded and then edited to include your contact information. Thank you for your assistance.