

# FAITH CREDIT ROUNDTABLE



SEPTEMBER 2022 NEWSLETTER

## 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.

### Faith Leader Spotlight: Willie Gable Jr.

Rev. Dr. Willie Gable Jr. serves as the pastor of The Progressive Baptist Church in New Orleans, LA, as well as the co-chair for the Faith & Credit Roundtable. Dr. Gable has advocated against payday lending for years, including testifying before the U.S. Senate Banking Committee and writing columns for various news organizations. Dr. Gable's pastoral and personal witness is important on both a national and community level. "As best I can, I comfort those caught in payday lending's web of debt," Gable [said](#) in 2017. "Yet I also know that it is time for change. These shackles of debt must be broken."

### Student Debt: What's Next?

The Department of Education will release an application for student loan debt forgiveness for eligible borrowers in early October. This application will be open through Dec. 31, 2023. ***Borrowers should not do anything at this time.***

Borrowers can expect relief within 4-6 weeks of filling out their application. Borrowers are advised to apply by Nov. 15 in order to receive relief before the payment pause ends.

### ***Bible Verse of the Month***

*"Blessed is the one who considers the poor! In the day of trouble, the Lord delivers him."*

*Psalm 41:1*

## What's Hot: Michigan Rate Cap; Buy Now, Pay Later

### *Michigan rate cap will not be on the ballot in November*

Despite the hard work from organizers, a ballot measure to cap interest rates at 36% fell short of the signature requirement. Michigan's Board of Elections requires 340,047 valid signatures to reach the ballot, but after random sampling the 392,000 signatures on the petition, the Board of State Canvassers concluded that petition failed to meet the threshold. In a [statement](#) released the day the ballot initiative was not certified, Michiganders for Fair Lending said: "Our coalition remains dedicated to payday lending reform. We are stronger than ever and will refocus our efforts on a legislative solution to stop the payday loan debt trap, protecting vulnerable Michiganders." The coalition added over 35 new organizations during this year's effort. Despite the shortcomings, the coalition's efforts continue, as the state's Black Leadership Council recently issued a [report](#) to the governor that recommended payday lending reform as a key component of closing the racial wealth gap.

### *Buy Now, Pay Later continues to grow and hurt consumers*

The Buy Now, Pay Later trend has been on the rise for years, as companies such as Afterpay and Affirm promise a savvy way to buy on a budget. Now, [Apple](#) is poised to launch their own service. Buy Now, Pay Later operates similarly to layaway: instead of paying for an entire purchase upfront, it's split between multiple interest-free payments. Nadine Chamber, attorney at the Center for Responsible Lending, says that consumers may be charged more than they can think they will. "Should they lose track of their payments or have multiple buy now, pay later purchases, they can get return payment fees, missed payment fees, account reactivation, rescheduling, all kinds of hidden fees that they weren't aware of at the outset," Chamber [said](#) in a recent interview. Buy Now, Pay Later is not subject to regulation that protects consumers from hidden harms and costs, and more oversight is needed. The Center for Responsible Lending [recommends](#) the same level of oversight for this growing market as we give to credit cards. Learn more about our work on the issue [here](#).

## NEW REPORT

### *Debt Under Duress: The Economic Impacts of Bail Bonds on San Francisco Bay Area Residents*

A recent report from the Center for Responsible Lending shows how bail bond companies harm low-income and low-wealth families with unmanageable debt burdens. In conjunction with the Lawyers' Committee for Civil Rights of the San Francisco Bay Area, CRL interviewed local residents and found that financial abuse from bail bond companies was often the only way out of pretrial detention, and the consequences of taking out the debt rippled for years to come. The report shows that impacted persons did not have a clear understanding of the terms of their bail bonds and that the companies issuing the bonds prioritized money over the needs of people.

People of faith know that economic justice is central to the gospel of Jesus Christ. Instead of prioritizing profit, judges should prioritize fair, non-punitive pretrial releases, and cash bail should be eliminated. Read the report [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 upcoming newsletters. Also, please follow us on Facebook to stay in the loop!

### Email:

Tamika.McGhee@responsiblelending.org

### Facebook Group:

[@FaithandCredit](#)



## Upcoming Events

### Faith Leaders and Student Debt

Join us for a free webinar on Sep. 7 to hear faith leaders speak theologically about the burden of student debt.

Register [here](#).

### UCC Summit: The Emerging Church in a Post-Pandemic World

Join the United Church of Christ online Sep. 19-21 for conversation and community. Registration ends Sep. 15. Register [here](#).

### Christian Community Development Association National Conference

Join us in-person in Charlotte, NC or online Nov. 2-5. Register [here](#).

### Samuel DeWitt Proctor Conference

Join us in-person in Atlanta, GA Feb. 18-24, 2023. Special early-bird registration rates end on Oct. 1. Register [here](#).