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Cities for Financial Empowerment Coalition Releases 2016 Policy Agenda

15-Mayor Coalition of Cities Releases Policy Priorities for Protecting and Empowering Low-Income Consumers; Echoes CFPB's Upcoming Payday Loan Regulations

Today, the Cities for Financial Empowerment Coalition, made up of mayors from 15 cities representing almost 22 million residents, who are working to advance innovative municipal financial empowerment initiatives through the power of city government, released their 2016 Policy Agenda. The release of the Agenda, which includes policy priorities aimed at expanding economic opportunity and financial inclusion for individuals and families with low incomes, echoes in part the upcoming proposed rules from the Consumer Financial Protection Bureau (CFPB) on payday loans. Specifically, the CFE Coalition's Policy Agenda highlights the CFPB's work to address the structural problems of payday loans that lead to damaging cycles of debt for consumers, including through restricting the ability of lenders to access consumers' bank accounts to collect payment.

"Our CFE Cities are leading the charge to promote meaningful financial inclusion for all residents, and combat predatory practices that keep people in poverty," said **José Cisneros, San Francisco Treasurer, and co-chair of the Cities for Financial Empowerment Coalition**. "I applaud the CFPB for taking an important step in regulating payday loans. Today, we stand with the CFPB and call for continued action to end the cycle of debt."

"The CFE Coalition policy agenda is informed by the personal stories we hear from residents, including the devastating effects that predatory lending can have," said **Amber Paxton, Director, City of Lansing Office of Financial Empowerment and co-chair of the Cities for Financial Empowerment Coalition**. "The CFPB has lifted up voices from across the country and has translated these into strong regulations which protect vulnerable people. By doing so, they have provided municipal leaders the structural support we need to do this work."

The CFE Coalition's 2016 Policy Agenda focuses on key policy areas including expanding access to financial products and services; improving financial capability; promoting asset building opportunities; and strengthening and expanding consumer financial protections. The CFE Coalition advocates for the following policy priorities:

- **Reforming Payday Lending Regulations:**
 - Supporting strong, transparent CFPB regulations and enforcement.
 - Reforming payday and short-term alternative loans to consider basic ability to repay; cycles of repeat borrowing; and misaligned loan durations.
- **Expanding Access to Safe and Affordable Financial Products:**
 - Strengthening the Community Reinvestment Act (CRA) service test to facilitate account access, emphasize performance and ensure CRA plans are tailored to a community's specific needs.
 - CFPB establishment of consistent, narrow standards for bank account screening consumer reporting agencies, and issuance of regulatory guidance for accuracy and error resolution.

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- **Improving Access to Quality Financial Counseling and Coaching**

- Federal identification of high-quality financial counseling models, and inclusion of outcome requirements in federal funding streams, to improve household financial security.
- Increasing federal funding of financial counseling within existing and new programs and funding streams.

- **Combating Excessive Municipal Fines, Fees and Penalties**

- Reducing or eliminating excessive fees and fines, and eliminating predatory and discriminatory practices of private debt collection companies.
- Allowing low-income individuals to clear past debt and lift license suspensions through amnesty programs, and ending incarceration and license suspensions as debt collection tools.

"As we've learned from partnerships with close to 40 cities, municipal leaders see firsthand the challenges their residents face—and can deploy large scale, innovative and effective solutions to help those in need," said **Jonathan Mintz, President and Chief Executive Officer, Cities for Financial Empowerment Fund**. "We applaud the CFE Coalition and its 15 city partners for this strong list of policy priorities, as well as the CFPB for their proposed payday loan rules—both will protect and empower low-income consumers."

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About the Cities for Financial Empowerment Coalition (CFE Coalition)

The Cities for Financial Empowerment Coalition (CFE Coalition) brings together pioneering municipal governments from across the country that have begun to use their power and positions to advance innovative financial empowerment initiatives. Its 15 member cities representing almost 22 million people have made tangible and measurable commitments to supporting financial empowerment programming in their cities, and are now joining together to both teach and learn from one another. By working with key partners in the public, private, and nonprofit sectors, the CFE Coalition also leverages its members' collective power to advance the financial empowerment agenda on a state and national level. The CFE Coalition is currently chaired by San Francisco and Lansing. Member cities include: Boston, Chicago, Hawai'i County, Lansing, Los Angeles, Louisville, Miami, Nashville, New York City, Philadelphia, San Antonio, San Francisco, Savannah, Seattle and St. Louis.

About the Cities for Financial Empowerment Fund (CFE Fund)

The CFE Fund supports municipal efforts to improve the financial stability of households by leveraging opportunities unique to local government. By translating cutting edge experience with large scale programs, research, and policy in cities of all sizes, the CFE Fund assists mayors and other local leaders to identify, develop, fund, implement, and research pilots and programs that help families build assets and make the most of their financial resources. For more information, please visit www.cfefund.org or follow us on Twitter at @CFEFund.