[DATE]

Mr. Robert E. Feldman
Executive Secretary
Federal Deposit Insurance Corporation
550 17th St. NW
Washington, DC 20429

**Re: Small-Dollar Lending, Request for Information, RIN 3064–ZA04**

Dear Executive Secretary Feldman:

[NAME OF ORGANIZATION] submits these comments in response to the FDIC's request for information on small dollar lending. [NAME OF ORGANIZATION] is [DESCRIPTION OF ORGANIZATION, and GEOGRAPHIC LOCATION, IF APPLICABLE]. Our organization is deeply concerned about the debt trap that high-cost small dollar loans create and the harms that they cause. [POTENTIALLY DESCRIBE MORE EXPERIENCE WITH PAYDAY/HIGH-COST INSTALLMENT LOANS HERE.]

We share the FDIC's goal of greater financial inclusion for low-income consumers and communities of color. We also know too well the harm that unaffordable, high-cost loans cause these communities. The last thing these communities need are *more* financial institutions offering predatory small dollar loans.

In Illinois, high cost lenders abound, and triple-digit interest rates are the norm**.** Illinois has the fourth highest payday and title lending fees in the nation**,** costing Illinois families over a half billion dollars per year – $270,204,194 in payday loan fees and $233,259,868 in title loan fees, according to the Center for Responsible Lending.

The FDIC must require that any bank product be (1) affordable and (2) reasonably priced:

(1) To ensure loans are affordable, the bank must consider the customer's income and expenses before making the loan. Relying on income-only standards like a "payment-to-income" ratio is *not* ability-to-repay. Incomplete underwriting will result in widespread unaffordable lending.

(2) On pricing, a 36 percent interest rate limit is already the law of the land for military servicemembers; it has been upheld by the FDIC for over a decade; and it is the state interest rate cap in many states. This standard should apply to all consumers nationwide.

Finally, the FDIC must retain its 2013 guidance against unaffordable bank "deposit advance" loans. The evidence overwhelmingly shows that these were debt-trap payday loans that piled onto bank customers' existing unsustainable debt load. FDIC-supervised banks never made these loans, and for the Agency to encourage them now would be a step in the wrong direction.

Ultimately, banks must first do no harm and expand access only to *affordable* credit. Given that many financially struggling consumers are already overburdened with debt, we urge the FDIC to encourage credit builder products and secured credit cards, and to take all needed to steps to root out abusive overdraft fees. These initiatives would go a long way toward increasing economic inclusion among our nation's financially vulnerable.

Thank you for your consideration of our comments.

Sincerely,

[YOUR NAME AND ORGANIZATION]