



MEMBER MEETING

May 17, 2012

ATTENDEES (25 TOTAL)

Logan Anderson, First People's Fund
Connie Azure, United Tribal Finance Corp.
Tawney Brunsch, Lakota Funds
Ronna Canady, Aleutian Financial
Michael Carroll, RCAC
Heidi Cuny, Cuny Communications
Robin Danner, Council for Native Hawaiian
Advancement
Sarah Dewees, First Nations Development
Insititute
Joanna Donohoe, Seven Sisters CDG
Tanya Fiddler, Four Bands Community Fund
David Fleming, LaPointe Financial
Felecia Freeman, Citizen Potawatomi CDC
Jeff Gilbreath, Hawaiian Community Assets
Tom Hampson, ONABEN

Mike Jackson, First People's Fund
Lori Larson, Black Hills Community Loan
Fund
Geri Mendiola, Council for Native Hawaiian
Advancement
Vickie Oldman John, Kitseally Boy
Consulting
Kim Pate, CFED
Nikki Pieratos, Bois Forte Band of Chippewa
Jaci Ree, Oweesta
Diane Standaert, Center for Responsible
Lending
Sherry Salway Black, National Congress for
American Indians
+ 2 Unidentified Callers

NOTES

1. The meeting opened with self-introductions by attendees.
2. A brief overview of the meeting was provided to explain that the meeting would cover the topics of financial capability and consumer protections. The panelists (Diane Standaert, Sarah Dewees, and Sherry Salway Black) were introduced.
3. Basic functions of the webinar were explained to attendees.
4. Diane Standaert with Center for Responsible Lending presented on payday lending.
 - a. Payday lending has been one of the hottest legislative issues over the past few years.
 - b. A history of Center for Responsible Lending was provided.
 - c. Research shows that payday loans are high-cost debt traps. The average payday borrower is in debt for over 200 days per year. Over 60% of payday lending business comes from borrowers that have 12 or more loans per year.
 - d. Payday loans cause other financial difficulties for borrowers, such as bankruptcy, delinquency on other bills, and involuntary bank account closures.
 - e. The current policy solution that Center for Responsible Lending advocates for is a rate cap at around 36%.
 - f. The repeat borrower is a core component of the payday lending business model. 76% of new loans are made within a two-week period of paying off the previous loan.

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- g. The average day of indebtedness for payday borrowers is 212 days per year. This is more than twice of what the FDIC recommends.
 - h. Current trends in policy were provided.
 - i. Native CDFIs have products to help people get out of the debt trap of payday loans.
5. Sarah Dewees of First Nations Development Institute (FNDI) presented on the Consumer Financial Protection Bureau.
 - a. A background of the Consumer Financial Protection Bureau (CFPB) was provided.
 - b. The CFPB has a broad mandate to look at consumer financial products.
 - c. The Center for Responsible Lending reached out to FNDI to collaborate and raise awareness of the effects of payday lending in Native communities.
 - d. Many Native CDFIs provided borrower stories to show the negative impact of payday loans. A few of these stories were shared during the meeting.
 - e. FNDI and some Native CDFIs met with the CFPB to share borrower experiences with payday loans and explain products that Native CDFIs offer as an alternative to payday loans. The CFPB demonstrated on how to submit a complaint via their website.
 - f. Native CDFIs were encouraged to share their borrower stories with the CFPB.
 - g. FNDI in partnership with DNA Legal Services helped write a model Tribal code that Tribal governments can adopt to help protect their own citizens.
 - h. The CFPB's online complaint system was demonstrated for meeting attendees.
 - i. The credit builder loan has been a successful product to get people out of the predatory loan cycle. VITA sites have also helped people to stay out of the predatory loan cycle.
6. Sherry Salway Black of the National Congress of American Indians presented on financial capability and consumer protection.
 - a. Sherry was appointed to the President's Advisory Council on Financial Capability and is helping to ensure that Native Americans are represented in the initiative. The program will sunset in January 2013. Before then, the committee will come up with recommendations for the Secretary of the Treasury.
 - b. An interim report came out in January and provides activity for the committee to date. Links can be accessed online. Some of the recommendations are going through. Federal employees will be mandated to take financial education. A publication called, "Creating Financial Capable Committees," was recently released and should be on the website.
 - c. The White House hosted a Summit on Financial Capability and Empowerment.
 - d. Sherry can do listening sessions and town halls as part of this committee. Send requests to her. There will be two sessions on this topic at NCAI Midyear.
 - e. The Native Financial Education Coalition was strong force and NCAI is looking at reconvening the coalition.
 - f. NCAI is looking at potentially building a consumer protection campaign.
7. The meeting was opened up for discussion.
 - a. Anyone can submit ideas and questions to Sherry for the President's Advisory Council on Financial Capability.
 - b. There has been some research comparing APR's of credit cards and payday loans. The typical borrower already has access to a credit card, but because of the way payday loans are



marketed the product is presented as a cheaper option than credit cards. Payday loans increase overdraft fees and bounced check fees.

8. Meeting attendees were encouraged to join a working committee by contacting Heidi Cuny at heidi@cunycommunications.com.
9. Next meeting will be July 19, 2012, 1pm Pacific Time.