



## FOR IMMEDIATE RELEASE

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### **Native American Financial Institutions Meet with Consumer Financial Protection Bureau to Express Concerns About Payday Lending Products**

**Washington D.C. – May 15, 2012** – On May 2, 2012 a group of Native community development financial institutions (CDFIs) and nonprofits met with staff at the Consumer Financial Protection Bureau to advocate for responsible and fair lending products in Native American communities. The Native organizations provided examples to demonstrate the negative impact of payday loans in their communities and also shared successful strategies in combating predatory lending, such as financial education, credit coaching, and credit builder loans. The credit building loan product is designed to help Native borrowers that are trapped in the debt cycle of payday lending replace their debt with low cost affordable term loans that result in building positive credit histories, and is paired with financial education to protect consumers from future fringe financing products.

“We deal with the devastating effects of payday loans on a daily basis. People come to us with credit reports showing pages and pages of payday loans that have only put them deeper into debt. We are glad that the Consumer Financial Protection Bureau is meeting with us to learn more about these abusive practices,” says Tawney Brunsch, Executive Director of Lakota Funds, who was present at the meeting.

During the meeting, staff from the Consumer Financial Protection Bureau shared information about their online complaint system designed to help identify difficulties with consumer financial products and find resolutions. “Our community is heavily targeted by payday lenders, so it is great that we can point our clients to this website to find recourse,” states Marvin Ginn, Executive Director of Native Community Finance, who was also present at the meeting.

The Consumer Financial Protection Bureau began operation in July 2011 and is a federal agency that was created to help regulate and provide consumer protection in relation to financial products. Created partially in response to the subprime mortgage crisis, the Consumer Financial Protection Bureau is spending its first year gathering information about financial products and services so that it may develop a regulatory framework for these services over the next 12-18 months.

Other Native organizations at the meeting included Citizen Potawatomi Community Development Corporation, DNA People’s Legal Services, and First Nations Development Institute. In late March, 2012, a coalition of Native CDFIs, legal aid organizations, and economic development organizations sent a letter to the Consumer Financial Protection Bureau expressing grave concerns about the negative effects of payday lending in Native communities and asked to meet with the bureau’s staff to provide more information about the financial alternatives provided by CDFIs serving Native communities, and this meeting was an outcome of that letter.

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**About the Native CDFI Network**

The Native CDFI Network was formed in 2009 to unify Native community development financial institutions (CDFIs) serving Native trust land communities, American Indians, Alaska Natives, and Native Hawaiians. Currently, 70 certified Native CDFIs are located in 18 states across the country. The mission of the Native CDFI Network is to be a national voice and advocate that strengthens and promotes Native CDFIs, creating access to capital and resources for Native peoples.

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