



NEW JERSEY CITIZEN ACTION

For immediate release: January 9th, 2020

Contact: Beverly Brown Ruggia, 201-344-2954, beverly@njcitizenaction.org

NJCA calls on Gottheimer to back HR5050

Newark, NJ - New Jersey Citizen Action (NJCA) called on Congressman Josh Gottheimer (NJ-5) today to take a strong stand in favor of HR5050, the bipartisan Veterans and Consumers Fair Credit Act, (VCFCA) which puts in place a national 36% interest rate cap on consumer loans to all Americans. This legislation is critical to ending the predatory and toxic payday lending industry that continues to peddle high cost small dollar loans with interest annual rates averaging of 400%. The VCFCA extends the Military Lending Act's 36% interest rate cap to all consumer loans.

“With protective banking regulations being rolled back, no American is safe from legal loan sharks who can now evade state laws and continue to target the most financially vulnerable Americans with toxic loans,” **said Phyllis Salowe-Kaye, Executive Director of New Jersey Citizen Action.** “It is more important than ever that leaders in Congress like Congressman Gottheimer move to enact a strong national consumer loan interest rate cap to end the cycle of debt, which payday lenders have created to drain billions of dollars from American consumers every year in order to maximize their profits. In states without usury caps, veterans, seniors, women, rural communities, and communities of color are often targeted for exploitation by predatory lenders. Despite the 30% usury rate cap for consumer loans in New Jersey, these vulnerable residents are still subject to the marketing of payday loans online.

“NJCA urges the entire New Jersey Delegation to support HR5050, the bipartisan Veterans and Consumers Fair Credit Act. NJCA calls on Congressman Gottheimer to champion HR5050 and usher it out of the House Financial Service Committee to a full House vote to #stopthedebtttrap of predatory payday lending once and for all.”

###

New Jersey Citizen Action is a statewide advocacy and social service organization that fights for social, racial and economic justice for all while also meeting the pressing needs of low and moderate income New Jerseyans through education and direct service.