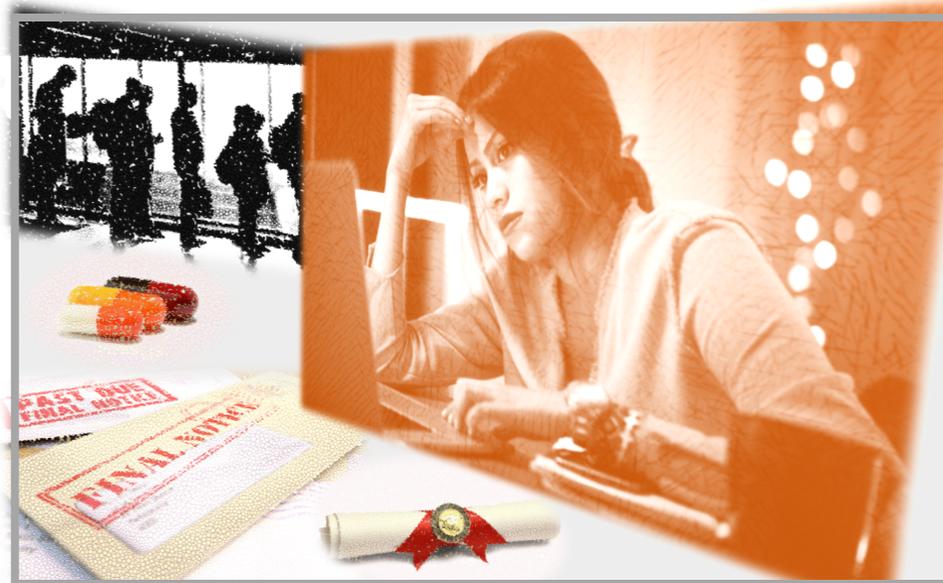


Women and Debt

No Equality Without Economic Equality



Graciela Aponte • Director of California Policy • Center for Responsible Lending

Women are disproportionately impacted by exploitive financial practices.

- **Two thirds** of student debt is carried by women
- **60%** of payday borrowers are women
- All of these target **people of color** disproportionately, so bigger impact on women of color

Deep Dive

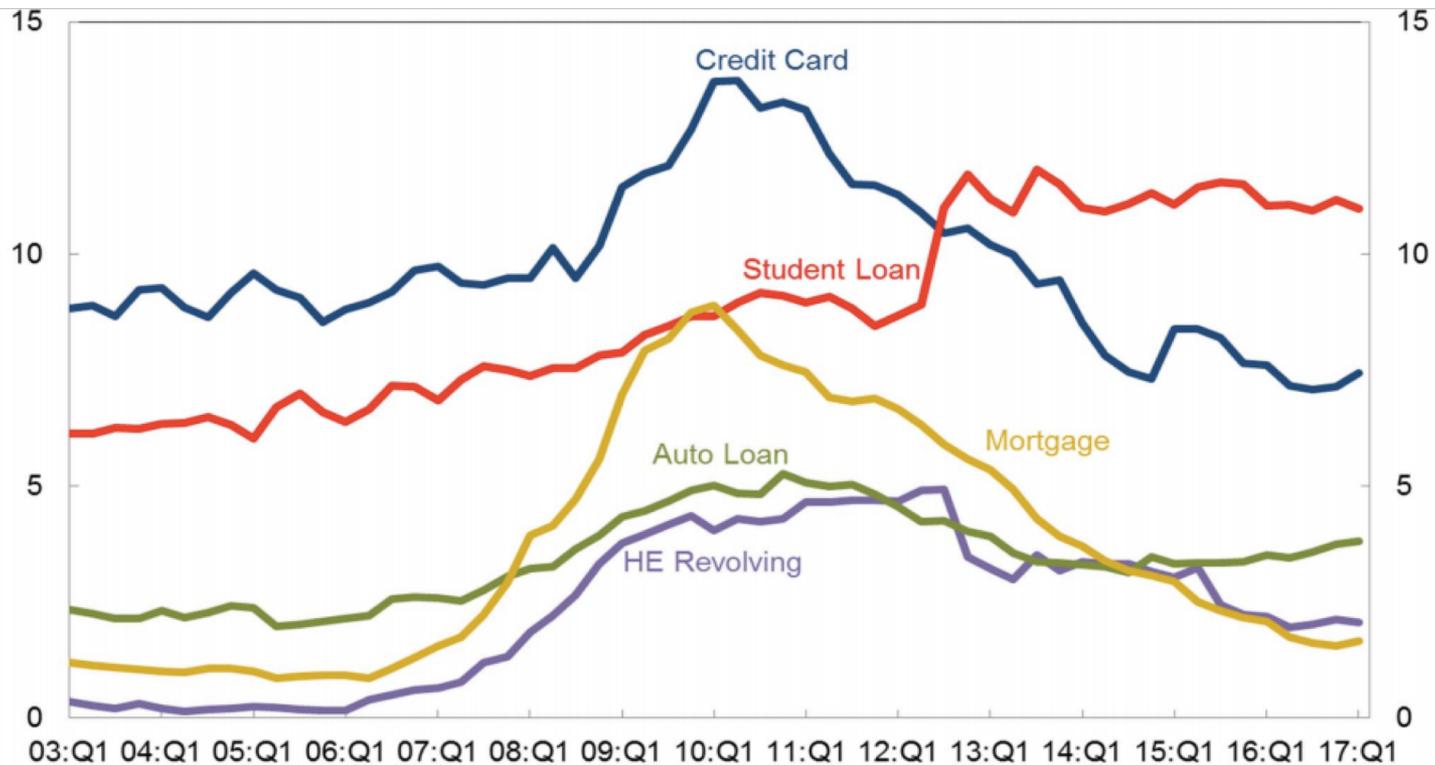
- **Student Loan Servicing Abuses**
- Payday Lending Debt Traps

The Student Debt Crisis is Real

- Outstanding student loan debt = **\$1.4 trillion**.
- **55%** of U.S. undergrads who borrowed unable to pay down any debt for first three years.
- **44 million** Americans have at least one federal student loan, up from 28 million in 2007 (Bipartisan Policy Center, 2007).

Student Loan Servicing Abuses

Percentage of loans that are 90+ days delinquent has shot up for student loans – downward trends for other loan types



Source: New York Fed Consumer Credit Panel/Equifax

The Impact on Women is Real

- The American Association of University Women found that **two thirds** of outstanding student loan debt -- **\$900 billion** -- is held by women, though they make up **56%** of college students
- Women finish with **\$2,700** more in average debt
- Women — especially women of color — are most likely to experience difficulties: 34% of all women and **57 percent of African America women** who were repaying student loans reported that they had been unable to meet essential expenses within the past year

Student Loan Servicing Abuses

Student loan servicers like Navient, which was sued by the CFPB and state AGs, have been known to engage in the following practices:

- Fail to put borrowers in the income-based repayment programs they qualify for;
- Misapply payments;
- Make false reports to credit bureaus;
- Fail to remove eligible co-signers from loans;
- Fail to apply 6% interest rate cap to active-duty military granted by the Servicemembers Civil Relief Act.

Navient's failure to qualify student borrowers for income-based plans added \$4 billion to outstanding student loan debt.



Deep Dive

- Student Loan Servicing Abuses
- **Payday Lending Debt Traps**

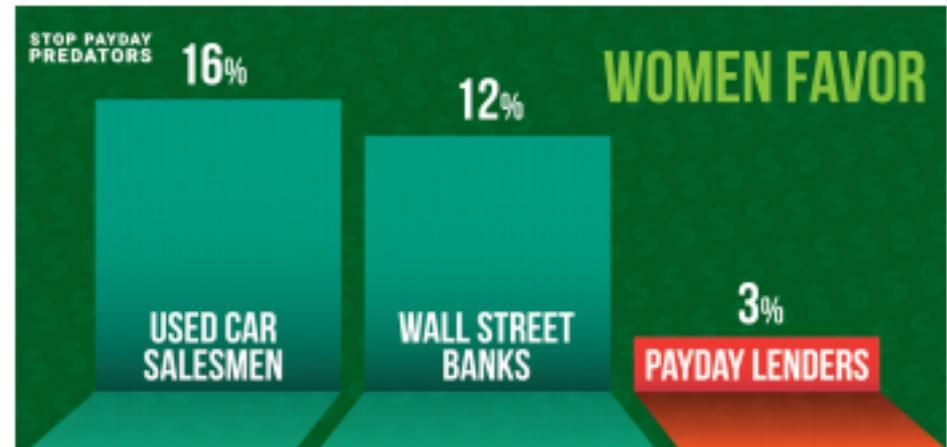
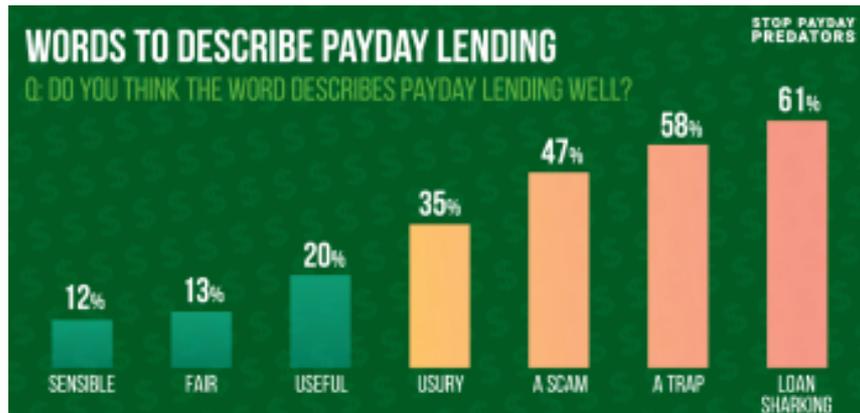
Disproportionate Impact

- **60%** of borrowers are women.
- **Affluent** neighborhoods of color have a **higher likelihood** of containing a payday store **than low-income**, predominately white areas.
- **Racial Wealth Gap**: For every **\$100** in white family wealth, black families hold **\$5.04**. Predatory lending widens gap.



Women overwhelmingly support strong payday lending reform

- **72%** of women said that passing additional regulation of the payday lending industry is important to them.
- **75%** of women supported the CFPB's proposal to regulate payday lenders.
- Women viewed used car salesmen **more than 3 times more favorably** than payday lenders.





High-cost Installment Loans

- For high-cost installment loans, those ranging between \$2,500 and \$10,000, there is no statutory APR limit.
- In 2017, 58% of installment loans of \$2,500 to \$4,999 carried APRs of more than 100%
- According to the National Consumer Law Center, high-cost installment loans in California have default rates of approximately 40%.

High-cost Installment Loans

Triple-digit APR loans have exploded in California



Note: Loans \$2,500 to \$4,999

Source: California Department of Business Oversight

Jon Schleuss / @latimesgraphics

2017-Top 20 Lenders of Loans between \$2,500 - \$5,000

| Lender | # of loans | % of loans Secured | Total \$ amount of loans | % of loans < 39% | % of loans 40-99% | % of loans > 100% |
|-------------------------------------|-------------------|---------------------------|---------------------------------|----------------------------|--------------------------|-----------------------------|
| Oportun, Inc. | 96,190 | 0% | \$330,418,161.00 | 100% | 0% | 0% |
| Check 'n Go | 46,457 | 0% | \$139,269,975.00 | 0% | 13% | 87% |
| Speedy Cash | 33,540 | 42% | \$105,476,334.00 | 0% | 42% | 58% |
| RISE | 33,455 | 0% | \$100,722,100.00 | 1% | 3% | 96% |
| Fast Auto Loans, Inc. | 30,957 | 59% | \$88,270,703.00 | 0% | 3% | 97% |
| Loanme, Inc. | 26,780 | 0% | \$74,056,500.00 | 0% | 0% | 100% |
| CashNet USA | 19,020 | 0% | \$51,492,500.00 | 0% | 0% | 100% |
| Apoyo Financiero, Inc. | 16,464 | 0% | \$63,644,361.00 | 90% | 10% | 0% |
| NetCredit | 15,819 | 0% | \$52,633,408.00 | 7% | 72% | 21% |
| Galt Ventures dba Speedy Cash | 15,678 | 27% | \$47,130,832.00 | 0% | 27% | 73% |
| Onemain Financial Group, LLC. | 15,188 | 24% | \$55,655,143.00 | 100% | 0% | 0% |
| Check Into Cash of California, Inc. | 14,086 | 22% | \$37,814,910.00 | 0% | 3% | 97% |
| Wheels Financial Group, LLC. | 12,762 | 93% | \$37,670,864.00 | 0% | 14% | 86% |
| Titlemax of California, Inc. | 12,662 | 100% | \$38,148,642.00 | 0% | 2% | 98% |
| Opportunity Financial, LLC | 12,310 | 50% | \$37,763,280.00 | 0% | 0% | 100% |
| Advance America | 11,859 | 28% | \$31,909,758.00 | 0% | 10% | 90% |
| Onemain Financial Services, Inc. | 9,915 | 22% | \$36,757,236.00 | 100% | 0% | 0% |
| Cashcall, Inc. | 9,715 | 0% | \$26,215,000.00 | 0% | 0% | 100% |
| Lendmark Financial Services, LLC | 9,307 | 93% | \$33,623,149.00 | 100% | 0% | 0% |
| Snap-On Credit LLC | 7,774 | 100% | \$28,981,042.00 | 100% | 0% | 0% |



Solutions

- Pass state legislation with interest rate cap for loans above \$2,500
- Defend CFPB payday rule
- Help promote existing alternatives:
 - Lending Circles 0% interest
 - Grants and loans from community and faith-based organizations
 - Financial coaching and community programs
 - Employer benefits programs including salary advance with low interest rates



For more information or questions, contact:

Graciela Aponte
Director of California Policy
Center for Responsible Lending
(510) 379-5518
Graciela.Aponte@responsiblelending.org