Regulating Short-Term Lenders Out of Business Hurts Texans

Texas Credit Access Businesses (CABs) are already heavily regulated by the Federal and State Government

Arbitrary regulations: Higher bankruptcies and complaints

The Federal Reserve Bank of New York reported when Georgia and North Carolina banned short-term lending, households **bounced more checks** and **filed for Ch. 7 bankruptcy much more often** than states without restrictions.

Arbitrary regulations: More expensive borrowing options

Over 1,000% APR

Without legitimate borrowing options, millions of Texans will be forced to more expensive alternatives such as **bank overdrafts (over 1,000% APR), utility shut-off fees (over 1,000% APR), unregulated overseas and tribal lenders, and criminal elements.**

Arbitrary regulations: Creates a market for unscrupulous lenders

Upon passing onerous regulations and rate caps in Ohio, nearly all **legitimate short-term lenders shut down operations.** Ohio immediately saw a **spike in citizen complaints from out-of-state, overseas, and unlicensed lenders.**

Credit Access Businesses (CABs) are 15-20x less profitable than other financial institutions

CABs generally earn about one percent of revenues when you factor in default rates. Financial institutions such as Wells Fargo Citibank, and American Express make 15-20 times the profits of most CABs. **Onerous regulation and interest rate caps will dramatically limit access to credit for millions of Texans.**

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