



WISCONSIN CATHOLIC CONFERENCE

FOR IMMEDIATE RELEASE

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WISCONSIN CATHOLIC CONFERENCE SUPPORTS FEDERAL PROTECTIONS AGAINST PREDATORY LENDING

The Wisconsin Catholic Conference (WCC) joins with state and national advocacy organizations in supporting the “Veterans and Consumers Fair Credit Act,” a bipartisan House Resolution introduced by U.S Representatives Glenn Grothman (R-WI) and Jesus “Chuy” Garcia (D-IL). The measure would extend current federal consumer credit protections provided to service men and women to all consumers.

In 2006, Congress passed the Military Lending Act (MLA), which instituted a 36 percent cap on the Annual Percentage Rate (APR) for loans to active-duty service members and their families. Before the expansion of the MLA, approximately one service member out of every ten owned a high-cost credit product with an interest rate over 36 percent. Congress recognized that financial hardship dramatically impacts the ability of military families to adequately serve the nation.

Today, the Veterans and Consumers Fair Credit Act (VCFCA) extends similar protections to all consumers by amending the Truth in Lending Act (TILA). If passed, the VCFCA would cap all consumer loans to no more than 36 percent interest. “The VCFCA will limit predatory loans that trap families in poverty through the use high interest rates and hidden penalties,” observed WCC Executive Director Kim Vercauteren.

Vercauteren noted that the Church’s teaching calls on Catholics to exercise an “option for the poor” not only in their personal choices, but also in the public policies they support.

“The option for the poor means we do not abandon those living in poverty or ignore their plight when we make laws and regulations. We must ensure that lending laws protect all consumers, especially the most vulnerable. Financial stability strengthens families, communities, and nations.”

The WCC has supported past efforts in Wisconsin to prohibit finance charges that exceed 36 percent per year. “We have long partnered with Congressman Grothman in efforts to limit predatory lending practices,” said Vercauteren, “and we applaud the bipartisan effort to enact this federal legislation.”

The WCC strongly supports the Veterans and Consumers Fair Credit Act and urges all Members of Congress to pass it.

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