



NEW YORK STATE SENATOR

Velmanette Montgomery

## Senator Velmanette Montgomery urges Brian P. Brooks acting Comptroller of Currency to decline proposed rule regarding Predatory Lending protections

VELMANETTE MONTGOMERY September 8, 2020

| ISSUE: **PREDATORY LENDING, NATIONAL BANKS**

Senator Velmantte Montgomery urges acting Comptroller of Currency, Brian P. Brooks to decline proposed rule change (Docket ID OCC-2020-0026). This proposed rule change would allow for predatory lending institutions to charge extremely high interest rates that can exceed 100% APR. Which is a disservice to communities across the nation and more specifically right here in Brooklyn. This proposal would undermine several laws passed by New York State throughout the last few decades. Currently New York State at maximum only allows for interest rates of 25% APR.

For years predatory lenders have come up with "rent-a-bank" schemes in which they use a National Bank to partner with, allowing them to bypass many state laws. This proposal will establish the national bank as the true lender or the party that has the most economic interest in the loan. As National Banks do not have to abide by State rate limits, this essentially would allow these predatory lenders the ability to set any interest rate they seem fit.

To read the full letter to the acting Comptroller of Currency Brian P. Brooks, click [here](#).