

[View this email in your browser](#)

Use this area to offer a short preview of your email's content.



CFSA and Advance America File Lawsuit To End Operation Choke Point

*First lawsuit of its
kind seeking to end
unlawful program
that harms licensed,
regulated
businesses*

A Letter From The CEO

Dear CFSA and payday lending industry supporter,

As a friend to our industry, your support has furthered our goal of preserving the short-term credit product for consumers within a regulatory framework that protects borrowers and allows lenders to operate. Accordingly, we wanted to share with you actions taken last night, which we believe were necessary to protect short-term lending products, and the consumers that use them.

For quite some time, we have had serious concerns about "Operation Choke Point," a coordinated federal initiative in which the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System are working in a covert interagency initiative that is harming lawful, responsible

businesses. That is why CFSA, along with Advance America, filed a lawsuit last night seeking to end Operation Choke Point and the abuse of regulatory power by these agencies.

It is unfortunate that we now must resort to litigation to protect legal, regulated businesses from this improper federal regulatory overreach. We have attempted to bring our concerns regarding Operation Choke Point to the attention of federal officials and Congress, and will continue to do so. Despite a vigorous effort to inform regulators of the harmful effect of Operation Choke Point, this abuse of regulatory authority continues, and many legal businesses, including nonbank lenders who are members of CFSA, are losing their basic banking services, such as bank accounts and lines of credit.

The lawsuit declares: *“Although CFSA and its members are part of a lawful and legitimate industry that serves the critical short-term credit needs of millions of American consumers, the Defendant regulatory agencies, with active support from the Department of Justice (“DOJ”), are engaged in a concerted campaign to drive them out of business by exerting back-room pressure on banks and other regulated financial institutions to terminate their relationships with payday lenders.” In addition, the complaint explains, “The Defendant agencies’ actions were taken*

without observance of the procedures required by law, are arbitrary and capricious, exceed Defendants' statutory authority, and deprive Plaintiffs of liberty interests without due process of law. These actions therefore must be set aside and permanently enjoined."

Legitimate and law-abiding payday lenders and other businesses are entitled to due process under the law and to public notice and opportunity for comment on major federal regulatory actions. By filing this suit we hope to put a stop to this federal initiative that is unjustly harming our industry.

CFSA will continue to advocate on behalf of the industry during this time of regulatory uncertainty, and keep you apprised of any litigation updates.

Sincerely,

Dennis Shaul

CEO, Community Financial Services

Association of America

Copyright © 2014 Community Financial Services Association of America, All rights reserved.

[unsubscribe from this list](#) [update subscription preferences](#)