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Request for Information to Assist the Taskforce on Federal Consumer Financial Law

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Request for Information: Assist the Taskforce on Federal Consumer Financial Law

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General Comment

The CFPB is needed to protect borrowers from unscrupulous lenders. America is poor, and many need honest lenders in times of tight money budgeting. America is poor:

In September 2017 the Consumer Financial Protection Bureau published a Financial Well-Being report and asked adults "How much money do you have in savings today (in cash, checking, and savings account balances)?" This is called "Liquid savings."

less than \$250 24%

less than \$1,000 35%

less than \$5,000 54%

less than \$20,000 73% American adults answered.

Meaning the majority are not prepared for an extended loss of income.

The Prosperity Now web page, Scorecard, found that Nationwide 25.4% of credit card holders have reached the 75% of credit limit on their cards;

Those who have saved for emergencies 57.8% have saved 42.2% have not saved

Consumers with Debt in Collections 21.2%

Another poll asked about missing a paycheck, every two weeks, would it be a difficulty? The

American Payroll Association reports 74% said yes; 40% said a major difficulty, and 34% said a slight difficulty. A Harris poll found that respondents say they always (23%) or usually (17%) or sometimes (38%) live paycheck to paycheck, for a total of 78%.

From the Social Security Administration report on wages for 2018, latest year, one sees that the lower half of all workers, 83 million workers, earn a collective total of \$1.2 trillion, which averages to \$14,800 a year, less than a full-time year-round minimum wage worker. The collective total, \$1.2 trillion, is also less than 8% of the total national income using the Congressional Joint Committee on Taxation total national income figure of \$15.6 trillion. Pay for half is very low, and now the assistance from the shutdown-lockout shelter-in-place is insufficient. See -- <https://www.ssa.gov/cgi-bin/netcomp.cgi?year=2018>

The Credit Suisse Bank's annual Global Wealth report shows that the lower-saving 10% of adults owe 0.5% of all savings, which amounts to \$590 billion. The lower-saving 40% of adults, almost 100 million adults, own just 0.1% of the nation's private savings, which comes to an average per adult of \$12,071, and 90% of it is held by the decile 40to 50 percentile.

Americans are poor, the same Credit Suisse report shows that 26% of adults own less than \$10,000. They sometimes must borrow to make ends meet, or to respond to disaster, such as the covid-19 disease. The Consumers Union and Americans for Financial Reform have issued statements the commission must review and evaluate. The CU statement says that 29 million adults have received refunds totaling \$12 billion, an average of around \$420 per adult. These refunds prove that malfeasance has occurred, and serve as needed corrections on firms that bend and break the rules.

Incomes for 80% of workers (who are nonsupervisory workers) were higher in 1965 than in 2020 shows a graph and table from the BLS -- <https://data.bls.gov/timeseries/CES0500000031> - -- Americans have had stagnant wages for more than 50 years. Families need protection. Their government is failing them, the "free enterprise" system is failing them, and you are failing them if you shirk your responsibility. Yours, Ben Leet -- my blog:

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