



May 11, 2021

The Honorable Chuck Schumer, Majority Leader  
United States Senate  
S-221, The Capitol  
Washington, D.C. 20510

The Honorable Mitch McConnell, Minority Leader  
United States Senate  
S-230, The Capitol  
Washington, D.C. 20510

The Honorable Sherrod Brown, Chairman  
Senate Committee on Banking Housing &  
Urban Development  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Patrick Toomey, Ranking Member  
Senate Committee on Banking Housing &  
Urban Development  
534 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Majority Leader Schumer, Minority Leader McConnell, Chairman Brown, and Ranking Member Toomey:

On behalf of Americans for Tax Reform, **I am writing to express our opposition to [S. J. Res. 15](#)**, which seeks to use the Congressional Review Act to repeal the Office of the Comptroller of the Currency's 2020 True Lender [Rule](#). Under President Trump's Administration, **this rule was designed to assist the [7 million](#) Americans who remain unbanked and underbanked**. Should Congress move to overturn this rule, it would directly harm many of these same Americans who need access to affordable financial services the most.

The OCC's 2020 True Lender Rule treats banks as the "true lender" if they fund or identify themselves as a lender in the loan agreement provided to customers in partnership with financial technology businesses. Many customers have built trustworthy relationships with financial technology businesses that provide access to customers through mobile phone applications. This relationship has successfully provided access to credit for millions of Americans and the OCC's rule provides legal certainty for the growing number of partnerships between banks and financial technology partners.

The Federal Reserve [reported](#) that 40% of American households are unable to afford a \$400 emergency. Repealing the True Lender Rule would cut off a lifeline to the millions of households across the country that may depend on short-term financing. Economists at the Mercatus Center [found](#) that in the absence of legal credit, borrowers will continue to seek financing through illegal alternatives. Loan sharks and other illegal loan providers operate outside of any regulatory supervision and use [tactics](#) like blackmail, coercion, and violence when desperate borrowers fail to repay their loans.

Partnerships between banks and financial technology companies promote innovation and efficiency for servicing consumer needs. When financial technology businesses can serve as credit providers, they can offer quick financing solutions. Their services assist the [25%](#) of US households that are unbanked or underbanked and do not have the means to access traditional or affordable products and services.

In addition, by invalidating the rule through the CRA, Congress would create significant legal barriers to existing borrowers and the services they enjoy.

722 12<sup>th</sup> Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202) 785-0266

F: (202) 785-0261

[www.atr.org](http://www.atr.org)

Americans can make appropriate financial decisions that meet their needs when more competition exists for them to choose from in the credit markets. **Americans for Tax Reform strongly opposes S. J. Res. 15 and we urge members of Congress to vote against this legislation.**

Sincerely,

A handwritten signature in black ink, appearing to read 'G. G. Norquist', written in a cursive style.

Grover G. Norquist  
President, Americans for Tax Reform