

Financial watchdog to gut payday lending rules

By KEN SWEET
Associated Press

NEW YORK — The nation's federal financial watchdog said Wednesday that it plans to abolish most of its critical consumer protections governing payday lenders.

The move is a major win for the payday lending industry, which argued the government's regulations could kill off a large chunk of its business. It's also a big loss for consumer groups, who say payday lenders exploit the poor and disadvantaged with loans that have annual interest rates as much as 400 percent.

The cornerstone of the regulations was a requirement that lenders make sure borrowers could afford to repay a payday loan without being stuck in a cycle of debt, a standard known as "ability to repay." This standard would be eliminated under the new rules. Another part of the rules, which would have limited the number of payday loans a person could roll over, was also eliminated.

Critics of the payday lending industry have argued that without these



AP Photo/Sid Hastings
A manager of a financial services store in Ballwin, Mo., counts cash being paid to a client as part of a loan.

underwriting standards, the CFPB's new regulations are effectively toothless. The main criticism of the payday lending industry was that many borrowers would take months to repay a loan that was originally designed only to last a couple of weeks, renewing the loan over and over again.

"This proposal is not a tweak to the existing rule ... it's a complete dismantling of the consumer protections (the bureau) finalized in 2017," said Alex Horowitz, a researcher with Pew Charitable Trusts, a think tank whose research on the industry was relied on heavily by the bureau when the original rules were unveiled a year and a half ago.

The announcement was the first abolition of regulations under the Consumer Financial Protection Bureau's new director, Kathy Kraninger, who took over the bureau late last year. Mick Mulvaney, who was appointed by President Donald Trump's as acting director of the bureau in late 2017, announced a year ago that the bureau was intending to revisit the rules. As a Congressman from South Carolina, Mulvaney received tens of thousands of dollars in political donations from the payday lending industry, raising concerns he was too connected to the industry to appropriately regulate it.

The Community Finan-

MERKLEY DENOUNCES NEW PAYDAY LOAN RULES

WASHINGTON, D.C. — Sen. Jeff Merkley, D-Oregon, lambasted the Consumer Financial Protection Bureau's new rules on payday lenders.

"Every day the Trump Administration prioritizes the privileged and powerful over working Americans, but deliberately helping loan sharks to cannibalize the pocketbooks of vulnerable families is a low blow even for them," Merkley said.

"Let's call it for what it is: a payday predator protection plan. Payday lenders prey on cash-strapped families during their toughest times, often issuing loans with annual interest rates as high as 500 percent and sucking families into an inescapable vortex of debt," he added.

"This payday predator protection plan is a huge mistake and a crystal clear sign of where the Trump Administration sides when it comes to working families."

cial Services Association of America, a payday lending group, is holding its annual conference in March at Trump's Doral golf club in Miami. It held its conference there last year, too. Government watchdog groups have criticized the use of Trump hotels and resorts by businesses and lobbying groups as legal bribery, a way to influence regulation and policy by giving money to the president.

The CFSA did not respond to an Associated

Press request for comment on that criticism, but sent a statement saying it was "disappointed" with certain regulations left intact and that its members were looking forward to returning to the Doral this year.

"The venue is popular with our members and it meets our needs," said CSFA CEO Dennis Shaul.

Under the Obama administration, the CFPB spent close to five years working on a process to finally nationalize the regulation of

the payday lending industry, which is mostly regulated at the state level. The bureau started the process back in 2012 and its finalized rules were finished in late 2017. It was the last major pieces of regulation done under Richard Cordray, the bureau's first permanent director, before he left the bureau.

"I think this is a bad development for consumers," Cordray said. "We looked carefully at this industry and there was a common problem of borrowers getting trapped in long-term debt. We had put together what I considered to be a modest proposal. The change is really disappointing and hasty."

CFPB did propose keeping one part of the payday lending regulations: a ban on the industry from making multiple debits on a borrower's bank account, which consumer advocates argued caused borrowers hardship through overdraft fees. In a statement, the CFSA felt the CFPB's repeal did not go far enough, and would have wanted the regulations over debits eliminated as well.

The proposed new rules are subject to a 90-day comment period by the public.

Parks: 'A nice way to get the community engaged'

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said, it's been great.

The Clatsop County Master Gardeners have established a garden at Alderbrook Park. The Friends of Birch Field and Park in Alderbrook offered community events last summer. The tiny Post Office Park on 15th Street remains trimmed and well-kept.

"All the groups — there's such a wide variety in their capacity — but they've all been successful," Dart-McLean said.

A pause

The only new park adoption since the slew that occurred in early and mid-2018 is the agreement with the Scandinavian Heritage Association to develop a park celebrating Scandinavian history at Peoples' Park off Marine Drive downtown.

The parks department is not actively pursuing more park adoptions. Dart-McLean and Tim Williams, the new parks director, believe park adoptions could continue to be a useful tool, but the department will need to be strategic in matching the right project with the right people.

"It definitely is a nice way to get the community engaged," Williams said.

One agreement that now has a proven track record is the park adoption for Tidal Rock the city recently renewed with Jessica Schleif, a gardener, artist



A student works on the Custom House replica in 2018.

and Parks Advisory Board member.

Schleif was one of three artists who adopted Tidal Rock last year after securing a grant from the Andy Warhol Foundation for the Visual Arts. The little park became a nexus for volunteers who helped cut back blackberries and plant native plants. Schleif, with artists Brenda Harper and

Agnes Field, hosted events in a portion of the park they found served well as a sort of natural amphitheater.

Schleif hopes to continue welcoming people down into the park. She plans to hold monthly work parties beginning in April, but people can just come to share food and conversation. Her focus will shift into developing the soil and helping

plants establish themselves.

"I feel there's that community interest there and I feel like it's a great opportunity for another year to intentionally develop the land, showing what hand-tool gardening can offer," she said. "That it's possible to clear unwanted plant material by hand, mechanically rather than chemically."

Across town, near Safeway, another complex project is underway.

Custom House

The Lower Columbia Preservation Society signed an agreement with the city to take on the maintenance of the Custom House, a reconstruction of the first U.S. custom house built west of the Rocky Mountains, and

its surrounding parkland.

The small white structure appears as a kind of afterthought in the middle of parkland, and few visitors stop to see what it represents.

The preservation society wants to bring more attention to it.

But when the organization began taking a closer look at the Custom House with students from Clatsop Community College's historic preservation program last summer, they found the building was in worse shape than anybody realized.

Students assessed the property and made some repairs to the porch decking, siding and windows, but the entire roof will need to be replaced. There is special chimney work needed and deterioration on the west side to address, said Rachel Jensen, executive director of the preservation society.

The Custom House was built using traditional tools and methods and, as a result, will be more complex to repair.

They are now looking at a plan that will likely stretch into spring of 2021, Jensen said. In addition to repairing the house, the organization plans to landscape the parklands — previous landscaping had been ripped out — and increase the site's visibility through lighting and signs.

The city already has interpretive signs that do a good job at telling the story of the site, but, first, Jensen said, people need to come visit.

Hydropower: 'Everybody knows these are clean, renewable energy sources'

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that count hydroelectric power as renewable.

"Everybody knows these are clean, renewable energy sources," Boone said. "Who would have a problem with that?"

But there are concerns that allowing more hydropower could take the teeth out of the state's renewable energy goals.

Rikki Seguin, policy director for Renewable Northwest, said there are similar bills almost every legislative session to count more hydropower. While the advocacy group believes hydropower is renewable, it opposes counting existing projects toward the state's renewable portfolio standard.

"We really see Oregon's RPS as being meant to build on our legacy of low-cost, clean hydropower," she said.



Brenna Visser/The Daily Astorian
State Sen. Betsy Johnson, D-Scappoose, right, introduced a bill on behalf of retired state Rep. Deborah Boone, left, to ease the requirements of including hydropower as part of the state's renewable portfolio standard.

Including more hydropower would effectively allow the state to meet its renewable energy goals, but would negate the incentive to develop more renewables, such as wind and solar, despite a growing demand from customers, she said.

Tom Gauntt, a spokesman for Pacific Power, said the utility is still researching the hydropower bills

and has no position.

Washington is considering legislation to eliminate coal energy by 2030 and require energy from 100 percent carbon-neutral sources, including hydropower, by 2045. Fuel producers and importers would be required to reduce carbon emissions from transportation fuels, among other climate initiatives.

College: Lab would be used by an environmental sciences program

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"I don't think we're planning on scaling back at all," said Christopher Breitmeyer, the college president. "We're looking at some other funding mechanisms and talking to various entities to see what we can do to make up for that gap."

The college is hopeful new legislation will allow it to apply the purchase price of the property to the local match. It is also looking at the New Markets Tax Credit Program, meant for low-income communities and used to help fund previous construction at the college.

The college could also get grants from the U.S. Economic Development Administration, used by

Southwest Oregon Community College to help build a health sciences building.

The State Land Board also voted to begin due diligence for a sale of more than 100 acres on the south side of Liberty Lane to the Columbia Land Trust.

The trust has secured \$1.3 million in state and federal grants to purchase the land, roughly encompassing the southern two-thirds of South Tongue Point.

The land would be restored into salmon habitat with help from the Columbia River Estuary Study Taskforce and eventually transferred to the college for use as a living laboratory.

The lab would be used by an environmental sciences program being

developed by the college, which could have classes as soon as next fall in surveying and research methods, Breitmeyer said.

"We don't need a lot of infrastructure," he said of the program. "Most of the courses have been taught in the past. Mostly it's packaging those courses in a pathway, finding a four-year partner (university) for transfers."

The college would likely create two degree tracks — one for field biologists, and another for environmental policy and law — along with certificates in forestry, fisheries, environmental remediation and other areas for people wanting to enter the workforce sooner, Breitmeyer said.