

June 8, 2017

Monica Jackson
Office of the Executive Secretary
Consumer Financial Protection Bureau
1700 G Street, NW
Washington, DC 20552

Re: Request for Information Regarding the Credit Card Market
(Docket No. CFPB-2017-0006)

Dear Ms. Jackson:

The Retail Industry Leaders Association (RILA) appreciates the opportunity to submit comments to the Consumer Financial Protection Bureau (CFPB; Bureau) as part of its mandate under Section 502(a) of the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) to periodically solicit information from the public. This letter will focus primarily on subsection (e) (“Deferred Interest Products”) of the CFPB’s Request for Information Regarding Consumer Credit Card Market dated March 10, 2017. A majority of RILA members and other key industries across the U.S. economy who utilize deferred interest financing look forward to continuing to work with the CFPB to maintain this important service for American consumers.

RILA is the trade association of the world’s largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than \$1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

Consumers benefit from deferred interest products by having access to a financing option that provides them greater flexibility and affordability than many general-purpose credit card products. Retailers are able to offer these programs on terms that are less costly than many other lending solutions. This type of financing promotion allows consumers to purchase merchandise on favorable terms to individuals who are living on a fixed budget. Consumers understand and value deferred interest financing and it is our hope as the CFPB moves forward on this topic the Bureau would not deprive consumers of the choice to leverage these products, but instead partner with market participants to ensure deferred interest financing is preserved.

It is important for the CFPB to understand and acknowledge that deferred interest promotions are popular with consumers, and are oftentimes used by Americans in emergency situations where a home appliance or other critical products need repair or replacement. This type of financing allows a family or an individual who may be on a fixed income, or in between career paths the opportunity to cover the incident. For this reason alone, it is vital that deferred interest financing not be eliminated or these individuals and families may be forced to engage with non-traditional or more expensive and less regulated lending options.

The term lengths for purchases made with deferred interest financing, which typically range from six to twenty-four months, allow consumers to make interest-free purchases, as the principal amount is paid off by the end of the promotional period. Furthermore, deferred interest financing is attractive to consumers who do not want or need to open another general-purpose credit card, but are simply looking to gain access to a short-term financing option to serve as a bridge for a specific purchase.

For the reasons outlined above, RILA looks forward to continuing to work collaboratively with the Bureau to preserve deferred interest financing. This is an important financial mechanism that allows Americans to purchase items in a time of need, as well as provide the budgetary window to cover the costs of certain products. Thank you for your consideration of these comments and we look forward to future discussions. If you have any further questions, please contact Austen Jensen, vice president of government affairs, at austen.jensen@rila.org or (703) 600-2033.

Sincerely,



Jennifer M. Safavian
Executive Vice President
Government Affairs