

Message #1: Consumer debt load has greatly increased for Latinos over the last 10 years.

- Nearly half (49.6%) of Latinos had credit card debt in 2017.¹
- Latino families have had the largest increase in educational debt of any other racial or ethnic groups, with one-in-five Latino families (19.3%) having educational debt in 2016.
- 41% of Hispanic student loan holders were late on their student loans payments at least once in the past year.²

Message #2: Debt collection is a critical consumer protection issue for one of the nation's largest and fastest-growing communities.

- More than one-third of (39%) Latino consumers have been contacted by at least one debt collector, which is greater than any other race or ethnicity.³
- More than half of Latino consumers (57%) have been contacted about credit card debt, while more than one-third (27%) have been contacted about student loan debt, and only 16% have been contacted about auto loan debt.⁴
- One-out-of-two Latinos (48%) of Latinos disagreed with a debt collector about a debt in question, and one-fourth disputed the debt in collection.⁵

Message #3: Payday loans target Latinos and communities of color, trapping them in a cycle of high-interest debt.

- Payday loans are among the most predatory forms of credit on the market and are intentionally structured to keep borrowers in a cycle of borrowing which results in extreme financial difficulties.⁶
- These products are often targeted to Black and Latino consumers, and 32.4% of Latino households used an alternative financial product, such as a payday loan, in 2017.⁷
- Most payday borrowers make less than \$30,000 per year, and nearly half default on a payday loan.⁸
- Payday loans trap individuals in cycles of debt that drains local economies and results in financial consequences, such as increased overdraft fees, delayed medical care, and even bankruptcy.

¹ UnidosUS. "Latinos and the Great Recession: 10 Years of Economic Loss and Recovery." March, 2019. Accessed April 4, 2019. http://publications.unidosus.org/bitstream/handle/123456789/1932/unidosus_latinosgreatrecession.pdf?sequence=1&isAllowed=y.

² FINRA Foundation, Financial Capability in the United States 2016 (Washington, DC: FINRA Foundation, 2016), https://www.usfinancialcapability.org/downloads/NFCS_2015_Report_Natl_Findings.pdf (accessed January 7, 2019).

³ CFPB. "Consumer Experiences with Debt Collection Findings from the CFPB's Survey of Consumer Views on Debt." January, 2017. Accessed May 7, 2019. https://s3.amazonaws.com/files.consumerfinance.gov/f/documents/201701_cfpb_Debt-Collection-Survey-Report.pdf

⁴ Ibid.

⁵ Ibid.

⁶ Grunwald, Michael, Bill McKibben, Brett Gadsden, and Erick Trickey. "The Government Loan Program With a 116 Percent Default Rate." POLITICO Magazine. February 24, 2015. Accessed May 07, 2019. <https://www.politico.com/magazine/story/2015/02/agriculture-broadband-loan-default-115434>.

⁷ UnidosUS calculations from the FDIC National Survey of Unbanked and Underbanked Households.

⁸ Ibid.