Good afternoon, everyone. Thank you for being here today as we discuss payday loans and other short-term lending products, and how they impact seniors and their Social Security income.

The marketplace for these products has evolved rapidly in the last several years. For some time, we have been aware of these storefront payday lenders, where people can bring a paystub or proof of income into the store and get an advance on their next paycheck, while paying a very high premium in fees for the privilege.

But now there are additional players in this market. We've got online lenders and even big banks offering seniors these short-term loans. The Center for Responsible Lending just released a report showing that one in four users of the bank payday loan known as a deposit advance is a Social Security recipient.

I want you to think about how the math works on this, or in most cases, how it doesn't work for seniors with a fixed income and fixed expenses. Seniors take one of these deposit advances out because they can't make ends meet or have some sort of emergency – health issues, car problems, you name it. Then when their next Social Security check arrives, that amount they borrowed, plus these very high fees, are automatically deducted before the money even hits their bank account.

So how do these seniors get through the month when they still have all the same expenses, but their income is cut – potentially in half – for the whole month? The answer in most cases is that they borrow again and again. Some people even borrow from a variety of different sources, from storefronts, banks and online lenders.

Take the case of Annette Smith, who has traveled here from California to tell us just how hard it is to get out from under this cycle of debt. She took out a $500 loan about five years ago and in the time since has gone back to her bank 63 times to secure a deposit advance, paying out a total of around $3,000 in fees.

Or consider the story of Donna Johnson, a grandmother of three from Ocoee, Florida, who managed to break a two-year payday loan debt trap only after receiving insurance money associated with her husband's death.

We are grateful to Ms. Smith for being here today to talk about her financial struggle. And we also thank the regulators for joining us to talk about why they are considering stepping into this market. This is a critical time for these products, and we want to hear from the Consumer Financial Protection Bureau and the Federal Deposit Insurance Corporation about what they have seen from these loans and the regulatory power they have to protect consumers.

One thing is clear: millions of Americans with poor or no credit have a need for money in emergencies. But how can we make sure that the products available to these people, especially the seniors, won't trap them in a cycle of debt? We have brought all the parties involved here this afternoon to see how we can answer this question.

While everyone agrees payday lending and deposit advance products are expensive forms of short-term credit and borrowing, we must ensure they are properly overseen with adequate consumer protections and safeguards against predatory leading.

We have two excellent panels of witnesses today. I thank you all for being here, and look forward to hearing from each of you.