



Catholic Conference of Ohio
Action Alert
Payday Lending Practices in Ohio
Support HB 486

The Catholic Conference of Ohio supports continued reform of Ohio's payday lending practices. House Bill 486 provides consumer protections consistent with the intent of Ohio's 2008 Payday Reform Act. HB 486 will help protect borrowers from excessive payday lending fees, while allowing lenders to maintain reasonable cost-of-business fees. The Ohio House passed this bill on May 12, 2010.

Please contact your state Senator and encourage a YES vote.

Background

After passage of the 2008 Payday Reform Act, and ratification by the majority of voters in a statewide referendum, the majority of payday lenders shifted their practices in order to continue charging high interest fees. Currently, payday lenders are charging new origination and check cashing fees, in addition to interest and other fees. Some of these fees are assessed every week. The cost to the borrower often remains just as burdensome as before the Payday Reform Act was passed. HB 486 addresses this shift.

House Bill 486 prohibits payday lenders from charging a fee to cash the loan check that they just issued. It prohibits payday lenders from charging an origination fee or a credit check fee more than once in a 90-day period. It also prohibits payday lenders from charging a fee to broker loans from another organization or a fee to act as a credit service organization on behalf of the borrower.

The Catholic Conference of Ohio supports lending models that provide fair and helpful loans for persons in need. In the teachings of our faith we have many warnings about usury and exploitation of people. Lending practices that, intentionally or unintentionally, take unfair advantage of one's desperate circumstances are unjust. Catholic Social Teaching demands respect for the dignity of persons, preferential concern for the poor and vulnerable, and the pursuit of the common good. These principles coupled with our teaching on economic justice animate our questioning of current payday lending practices.

Action Request

The Catholic Conference of Ohio believes that HB 486 includes many helpful features that protect persons, especially poor persons, from spiraling debt. Please immediately contact your State Senator and ask his or her support for HB 486.

For contact information of your State Senator link to: www.legislature.state.oh.us
or write to:

Senator _____
Senate Office Building, Columbus, OH 43215-4276
or call:
1-800-282-0253