



# Ohio House of Representatives

State Representative Matt Lundy

## MEMORANDUM

**TO: All Members of the Ohio House**

**FROM: Representatives Matt Lundy**

**DATE: May 29, 2009**

**RE: Co-Sponsor Request – Issue 5 Enforcement Act**

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Last year Issue 5, which called for the enforcement of HB 545, the Short Term Lender Act (payday lending reform), was overwhelmingly supported by Ohioans. Voters affirmed a 28% cap on payday loans and other consumer protection measures. As you may remember, HB 545 aimed to protect consumers from a cycle of debt and predatory lending practices. Yet since the bill became law, payday lenders have found new ways to charge higher interest rates and fees by skirting the Short Term Lender Act and giving payday loans through other loan licenses.

The Issue 5 Enforcement Act would reinforce the mandate set forth by Ohioans. It will require an interest rate cap of 28% for all loans of up to \$1,000 made for a term of 3 months or less, regardless of what license is used to grant the loan. This legislation would also eliminate “check cashing fees” that some payday lenders now charge borrowers to cash a check issued in the store of the payday lender.

This legislation is critical for enforcing the mandate set forth by Ohioans in HB 545 and Issue 5, and it would further to protect our families from a cycle of debt.

I hope to make this important consumer protection bill an inclusive and bipartisan effort; if you are interested in being a primary co-sponsor please let me know.

If you would like to view a copy of this legislation, or you are interested in co-sponsoring it, please contact my Legislative Aide, Andrew McIntire, in my office at 644-5076 or via email at [andrew.mcintire@ohr.state.oh.us](mailto:andrew.mcintire@ohr.state.oh.us). The deadline for co-sponsorship is **4:00 p.m., Tuesday, June 2, 2009**.