

Ohio Coalition for Responsible Lending

Short Term Strategic Plan For Passage of H.B. 209

Background:

Since the passage of H.B. 545 (payday lending reform), the payday lending industry has manipulated the Small Loan Act and the Ohio Mortgage Loan Act to continue to exact fees, and charges that can result in payday loans at interest rates as high as 680% APR. The Ohio Coalition for Responsible Lending (OCRL) met on Monday, June 8, 2009 and developed a strategic plan for the remaining weeks prior to the summer legislative recess. The objective of the campaign is to secure Ohio House passage of H.B. 209 (lending loophole reform) by June 30, 2009. The sponsor of this legislation is Representative Matt Lundy (D-Elyria). Among other things, H.B. 209 would cap interest rates at 28% on loans of \$1,000 or less. The term of such loans would be three months. It would also extend Consumer Sales Practice Act (CSPA) protection for such loans. The bill is expected to be assigned to the House FIRES Committee, chaired by Representative Joe Koziura (D-Lorain). Representative Koziura is a strong ally and advocate for payday lending reform.

Actions Urged:

The OCRL is urging you to take the following actions:

- ✚ **Immediately contact members of the House FIRES Committee and urge them to take swift action to close the payday lending loopholes. You can find a listing of the Financial Institutions, Real Estate and Securities Committee (FIRES) @ http://www.house.state.oh.us/index.php?option=com_displaycommittees&task=2&type=Regular&committeeId=110**
- ✚ **Call the Governor's office @ 614-466-3555 and urge him to publicly support H.B. 209 and to make closing the payday lending loopholes a high priority.**
- ✚ **Call Speaker Armond Budish @ 614-466-5441 with the same message.**
- ✚ **Write an editorial to your local newspaper stating that you are one of the 3.4 million Ohioans who voted for Issue 5 and you expect the Ohio General Assembly "to respect the wishes of the voters and to protect Ohio consumers from the predatory practices of the payday lending industry."**
- ✚ **Call all Republican House Members from your District and urge him/her to become a co-sponsor of H.B. 209. For information on your House Member, call 800-282-0253. You can also visit http://www.house.state.oh.us/index.php?option=com_displaymembers&Itemid=58**
- ✚ **Become an organizational member of our campaign.**

OHIO COALITION FOR RESPONSIBLE LENDING

Campaign to Close Payday Lending Loopholes

Our organization endorses the Campaign of the Ohio Coalition for Responsible Lending to work for passage of the “Issue 5 Payday Lending Enforcement Act,” sponsored by Representative Matt Lundy (D-Elyria).

Among other things, **the legislation would close several loopholes in the Small Loan Act and the Mortgage Loan Act that payday lenders have exploited** to continue their predatory business model. The *Issue 5 Payday Lending Enforcement Act* would: require an interest rate cap of 28% for all loans up to \$1,000 made for a term of 3 months or less. In addition, the legislation would eliminate check cashing fees and provide Consumer Sales Practice Act protection to those loans under \$1,000.

This legislation will put a stop to the debt trap quickly and decisively. In this economy, we simply can't afford a destructive loan product that funnels money from the needy into the vast coffers of a greedy industry. The people of Ohio spoke clearly through the November 4, 2008 ballot initiative that they desire to impose an interest rate cap and other consumer safeguards on the payday lending industry.

We urge the members of the Ohio General Assembly to close these loopholes and to act expeditiously to protect Ohio consumers.

Name _____ Organization _____

Address _____

E-Mail _____ Phone _____

Return to Tom Allio, chair Ohio Coalition for Responsible Lending
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or Cathy Johnston, COHHIO
cathyjohnston@cohhio.org

Please distribute this sign on letter throughout your networks.