

Ohioans for Payday Loan Reform represents a broad cross-section of local organizations and individuals interested in protecting Ohio and its residents from abusive payday lending practices.

One in 10 Ohioans have borrowed a payday loan – the fourth highest use rate in the country. Payday loan borrowers typically use these loans to pay for basic household expenses.



Ohioans *for* Payday Loan Reform

Payday lenders, most of whom are based outside of the state, are preying upon these Ohioans. They are issuing loans at **outrageous interest rates averaging 591%, the highest payday loan rates in the nation**, with unreasonably short repayment periods.

These loans are a drain on family budgets and a drain on Ohio's economy.

We stand with the vast majority of Ohioans who support strong payday loan reforms that will result in:

- ✓ **Rates that are fair for borrowers and viable for lenders**
- ✓ **Affordable installments**
- ✓ **Reasonable time to repay**
- ✓ **Access to credit**

Sensible reforms will save Ohioans tens of millions of dollars each year, keeping money in local communities.

Similar reforms have been enacted elsewhere. As a result, lenders charge borrowers in other states four times less than they do in Ohio.

We support legislation that will fix this problem and make payday lending fair and transparent for Ohioans. The proposed reforms will save Ohioans more than \$75 million a year, which is good for the borrowers and good for Ohio's economy.

- Advocates for Basic Legal Equality
- Akron Leadership Foundation
- Akron Urban League
- Arturo Aranda, MD, Pediatric Surgeon, Dayton Children's Hospital
- Ashtabula County Commission
- Breaking Chains Inc.
- Carl Ruby, Senior Pastor, Central Christian Church, Springfield; Director of Faith Coalition: A Movement for Payday Loan Reform.
- Catholic Conference of Ohio
- Central Ohio Fair Housing Association

- City of Dayton Human Relations Council
- City of Euclid, Mayor Kirsten Holzheimer Gail
- Cleveland Building and Construction Trades Council
- Columbus Urban League
- Community Action Partnership of the Greater Dayton Area
- Corporation for Ohio Appalachian Development
- Cuyahoga County Mayors and Managers Association
- Cuyahoga County Veterans Service Commission
- Cuyahoga Falls City Council
- Cuyahoga Falls Councilman Victor Pallotta
- David Thomas, Austinburg Fiscal Officer
- Dublin Republican Club
- East Akron Neighborhood Development Corp
- Famicos Foundation
- Franklin County Veterans Service Commission
- Greater Dayton Hispanic Chamber of Commerce Greater Warren-Youngstown Urban League
- HFLA of Northeast Ohio
- Homeport
- Impact Coalition (Lucas County organization that has multiple members, including non-profits and a number of credit unions.)
- Lake County Veterans Services Commission, Jonathan Warmeling, Executive Director
- Legal Aid Society of Southwest Ohio LLC
- Lorain County Urban League
- Miami Valley Fair Housing Center, Inc.
- NAACP, Cleveland Branch
- Neighborhood Housing Services of Greater Cleveland
- NeighborWorks Collaborative of Ohio
- Northeast Ohio Mayors and City Managers Association
- Ohio Association of Community Action Agencies
- Ohio Association of Community Action Agencies
- Ohio CDC Association
- Ohio Council of Behavioral Health & Family Services Providers
- Ohio Council of Behavioral Health and Family Services Providers
- Ohio Council of Churches
- Ohio Job and Family Services Directors Association
- Ohio Poverty Law Center
- The Pew Charitable Trusts
- PDT Architects, Inc. of Dayton
- Rabbi Edward J. Sukol, The Shul, Pepper Pike

- Rabbi Steve Segar, Congregation Kol Halev, University Heights
- Robert Salinas, President, Salinas Industries, Carlisle, OH
- Sam Hemmeter, Hemmeter Tax Consulting, Board Member Dayton Hispanic Chamber of Commerce
- South Street Ministries, Akron
- Springfield Chamber of Commerce
- Summit County Council
- The Home Ownership Center of Greater Cincinnati
- Toledo FOC Network
- TrueConnect
- United Way of Greater Cleveland
- United Way of Greater Toledo
- Urban League of Greater Cleveland
- Urban League of Greater Southwestern Ohio
- Voices for Ohio's Children



Ohioans for Payday Loan Reform

Problem

- ✘ Lenders are circumventing a bipartisan law passed in 2008 that capped rates at 28% and was approved 2-1 by voters.
- ✘ Borrowers in Ohio pay the highest prices in the nation -- typically 591% APR -- four times more than the same loans offered by the same lenders in other states.
- ✘ Borrowers can't afford to spend more than 5% of their monthly paycheck to repay the loan without getting stuck in a cycle of reborrowing.

Solution

- ✔ Prevent payday lenders from using unintended statutes to broker two-week mortgages and charge unlimited fees.
- ✔ An interest rate of 28% plus a monthly finance charge up to \$20 makes loans affordable for borrowers and profitable for lenders.
- ✔ Ensure borrowers can repay loans over a realistic period of time, rather than in one balloon payment on their next payday.

The Ohio General Assembly
can save Ohio borrowers
\$75 million each year!

Reform will keep
lenders in business.



&

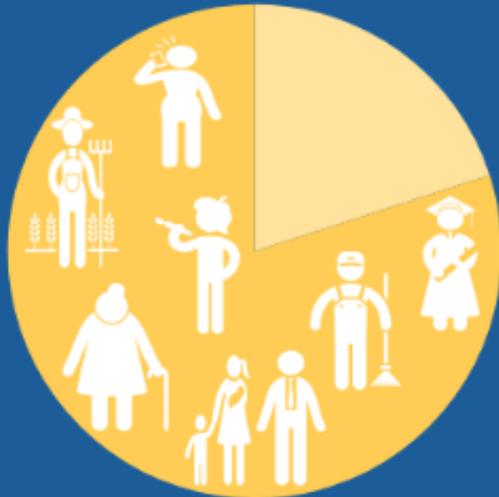
Ensure consumers
have access to credit.



Payday lenders charge borrowers more in Ohio than in other states.

Cost to Borrow \$300 Repaid over 5 Months

State	Amount
Pennsylvania West Virginia	No Payday Loan Stores
Colorado	\$172
Michigan	\$425
Indiana	\$440
Kentucky	\$536
Ohio	\$680



8 in 10 Ohio Voters Support Payday Loan Reform

Current Cost

\$400 credit
+
\$350 fees

\$750 total repayment (3 months)



94% of voters view loan as UNFAIR

Cost After Reform

\$400 credit
+
\$79 fees

\$479 total repayment (3 months)



63% of voters view loan as FAIR