

Proponent Testimony on House Bill 123  
House Government Accountability and Oversight Committee  
Pastor Derek Drewery, former payday loan borrower  
January 17, 2018

Chairman Blessing, Vice Chairman Reineke, Ranking Member Clyde and members of the committee, thanks to each of you for considering the necessary changes in HB 123 to improve life for everyone who uses payday loans and their families. My name is Derek Drewery. I'm the senior pastor at New Day Christian Fellowship in Springfield as well as a contractor. I've been married for 19 years, and I have three daughters.

When I served in the Air Force from 1995 to 2001, I was stationed at Wright-Patterson Air Force Base. During that time, money was tight. When I needed to pay for car repairs, I came up short, and so I borrowed from a payday lender. I appreciated that they lent me money, but the payments were just too large for me to pay back the loan and cover my bills. Instead, I could only afford to cover the loan fee and buy more time. If I paid back the loan in full, there would have been such a large hole in my paycheck that there was no way I could pay for even basic living expenses.

That's how I ended up in a churning cycle, where I had to keep the loan out for one pay period after another. I'll never forget that process of being stuck on the treadmill, where I didn't have a way out of the loan. The experience was one that broke me financially and emotionally. The Air Force doesn't take these things lightly, and it's easy to get in serious trouble with your first sergeant if you don't pay back a loan. And besides that, the lender could just take the money out of my checking account anyway, because that was a condition of getting the loan. I cut back on everything and started eating less to try and get that loan paid back and be done with it. When I couldn't afford food for my dog, and I was down to my last box of Cheerios, I ended up getting some help from family to get out of it. By that time, I had paid back a few thousand dollars to borrow what was originally around \$700.

Congress and the Department of Defense have now banned these loans to military members because they were so harmful. But veterans are a group that's often taken advantage of by these loans, and they're especially vulnerable as they transition back into civilian life. They're in need of protection, as are the people I see through my church and in other walks of life. I help put on a community meal every Tuesday night through my church, feeding 70-80 people who are struggling. Right down the road from my church, there are several payday loan stores that offer the quick cash that is so tempting when you're in a tough spot, but the loans are structured to keep you in debt rather than offering a pathway out.

I've had congregants in trouble with payday loans, and I empathize with their pain. Just because people are going through a tough time and need some help doesn't mean they should be taken advantage of. I don't have a problem with lenders earning a profit, but it's not right that so many people end up paying back more than double what they originally borrowed. Whether you read Exodus, Leviticus, Deuteronomy, Ezekiel, Jeremiah, Matthew, or Luke, the bible is straightforward on the matter of usury. Usury is a sin, and we have a responsibility to prevent it.

That is why I want to offer thanks to our public servants who have developed this reform. By bringing down prices, making payments affordable, and giving borrowers enough time to repay, they will have a clear pathway out of debt. That would have helped me when I was in the Air Force and a payday lender took advantage of my situation, and it will help hundreds of thousands of our fellow citizens who are struggling today.

Thank you for the opportunity to testify today in support of HB 123. I'm happy to answer any questions you may have.

