

I want to extend my appreciation to Chairman Blessing and the other members of this committee for allowing me the opportunity to present my views regarding payday loan reform in our state.

My name is Mike McDorman. For the past 12 years I have served as the President and CEO of The Chamber of Greater Springfield. Prior to that, I worked as an area manager for Ohio Edison, overseeing a territory that included all or parts of Clark, Madison, Union and Delaware counties.

At the Springfield Chamber, we represent 800 businesses – ranging from very small enterprises to large corporations.

We work very hard to improve the economy in greater Springfield. Recently, we have had some significant successes – we have attracted a new Tier 1 auto supplier that will work with Honda, resulting in 400 jobs. We also attracted a silicon chip maker that will bring another 500 jobs.

In the span of 12 years, we have seen our local economy go from bad, to good, to promising. We work with business people every day on a variety of issues that are all aimed at helping companies succeed, helping them grow, and helping them create and retain jobs.

While we are optimistic about our area's future, we are concerned by the number of payday loan stores that litter Springfield's main corridors. When we are driving a prospective company through Springfield, trying to persuade them to bring their new jobs and investment to our city, these payday loan storefronts paint a negative image of a poor, sad town. It hurts our ability to attract more businesses to Springfield.

The large number of payday lenders in places like Springfield, Ohio goes way beyond the fact that they present a poor image and bad aesthetics. We are concerned that Ohio has the highest rates in the nation for folks who use these short-term loans. Today, Payday lenders in Ohio are operating in a manner that is unfair and hurts all Ohioans, which includes our businesses.

I stand here today not advocating that payday lenders be driven out of business in Ohio. Rather, I stand here to urge you to hold payday lenders accountable to run their businesses in a manner that is fair to all Ohioans.

In 2008, Ohioans statewide *overwhelmingly* voted in favor of payday lending reforms – which were very similar to the reforms being offered up in House Bill 123. Then - as now – the reforms called for a cap of an annual percentage rate of 28% on these loans.

Passing House Bill 123 would save Ohioans who use these loans an estimated \$75 million annually. That would be an annual economic shot in the arm for Ohio's overall economy and business community. That money would be spent in Ohio by Ohioans.

The State of Ohio has an opportunity to fix the loophole created in 2008 and help level the playing field for all Ohioans who patronize payday loan stores. We are not asking you to put payday lenders out of business. House Bill 123 is a compromise that will allow them to continue to operate here while helping working men and women who struggle unfairly today by paying these outrageous rates. House Bill 123 would not only be good for Ohioans who use these products, it would be good for our overall business community, which would benefit from a more productive workforce, and the commerce resulting from an extra \$75 million pumped *annually* into our state's economy.

It is for these reasons I urge you to move House Bill 123 forward.

Thank you.