

HB123 Testimony from Carl Ruby
Senate Finance Committee
June 21, 2018

- Pastor of Central Christian Church in Springfield
- Member of Ohioans For Payday Loan Reform
- Primary spokesperson for a group of approximately 70 faith leaders who have signed a letter calling for payday loan reform that accomplished the objectives of HB 123.

Over the last two years I have spent 100's of hours and I've made countless trips to Columbus and other cities at my own expense to advocate for payday loan reform.

I am not paid anything for this advocacy and I have no formal ties to organizations like Pew Charitable Trusts.... although I do respect the quality and objectivity of the data and analysis they provide.

I am here today because the Bible tells me that one mark of true Christianity is that we stand *with* the poor and *against* those who oppress them.

Based upon numerous reports from people in my community and an overwhelming amount of data I am convinced that the payday loan industry is oppressing people who come to them in distress.

People like Dolly, an 87 year old woman who needed physical help getting to my church so that she could tell me about her experience and express her support for our efforts to pass HB 123. She also wanted to sign the petition that we were circulating to get this on the ballot if necessary. She borrowed \$200 and had a \$168 finance charge. My church paid off her loan so that she could meet her monthly expenses and get out of the loan.

Or Jasmin, a disabled single mom who borrowed money to fix her car only to sink into a spiral of debt that cut into her ability to pay her ongoing monthly expenses. She attended a forum at my church so that she could get help.

Or Derek, a fellow pastor in town who took out a payday loan back when he was in the National Guard. He borrowed about \$600 to fix his car, paid back thousands, and could not get out of his loan until his father discovered that Derek was depressed enough to be considering suicide and paid off his loan to protect and rescue his son....a young man proudly serving his country.

Or Denise who wrote a suicide note, had a gun, and picked out a place to shoot herself because she was trapped and ashamed of the fact that she fell for a payday loan. Fortunately, at the last minute she called her brother Jeff, a close friend of mine, who had her move in with his family until she could get out of the loan.

Or Angela, a young single mom I met just last week who was living in her car and putting herself through Columbus State until a car title lender repossessed it.

These are not hypothetical situations....these are just a handful of cases that have come to my attention as the pastor of a church with 160 members.

This is the business model. In Ohio, according to data from the Consumer Financial Protection Bureau, 83% of loans are churned, borrowed within two weeks of a previous loan.

HB 123, as passed by the house, didn't start in Washington DC. It started at Young's Jersey Dairy when Rep Kyle Koehler and Senator Bob Hackett agreed to meet with 6 pastors and the President of the Greater Springfield Chamber of Commerce to hear our concerns about the toll payday lenders were taking on our community. We wanted him to shut them down entirely. But Rep Koehler expressed concerns for the unintended consequences for those who need emergency short term loans and said, "I won't help to put them out of business, but what they are doing is awful, I will help you regulate them so that they are fair for those who need these loans." Kyle also said, "This is going to cost me politically but it's the right thing to do, and I'll do it."

He joined Democrat Rep Mike Ashford and together they introduced HB 123.

On June 6th, people from my church quietly cheered when the house passed HB 123 by a wide margin. It felt like government was working....like in Ohio, Republicans and Democrats could work together to pass laws that protect everyday people.

For two weeks I enjoyed a sense of optimism and pride that we were about to get something done that was good for people in our state.

That optimism turned to caution when I read an article last weekend in the Cleveland Plain Dealer about amendments being crafted behind the scenes by Senator Huffman.

My caution turned to fear when I heard him describe his plans to scrap the key provisions of HB123- like the rate limits and the affordable payments- and replace them with proposals that lenders have advocated in other states that are ineffective. . I don't call into question his character or his motives but I am concerned that he is disregarding those of us who have been at the center of efforts to fix this problem until his recommendations were nearly complete. It appears that he has been working on this since March yet we knew nothing about the plans until the Plain Dealer article surfaced.

We understand that amendments are part of the process and we would support certain amendments that improve protections for Ohio borrowers. We stand opposed, very opposed, to any changes that put the profits of payday lenders over the needs of single moms, those with disabilities, military veterans, and senior citizens like Dolly who are on fixed incomes.

As a person of faith, who has no interest in this matter other than doing what is morally right and comforting those people in my community who continue to be harmed by predatory loans, please pass HB 123 without any amendments that are more concerned with the profits of payday lenders than with the needs and circumstances of everyday people who are working hard to make ends meet.