

Proponent Testimony
House Bill 123
Susan Colbert, OSU Extension at Terrace Place
June 25, 2018

Mr. Chairman, members of the Finance Committee. Thank you for this opportunity to testify on behalf of and offer my wholehearted support for House Bill (HB) 123.

My name is Susan Colbert, and I'm the Program Director at OSU Extension at Terrace Place. At our organization we work primarily with low-income residents, and we strive to improve the quality of life for all Central Ohio residents through research, service, and training.

In my time at OSU Extension we routinely work with residents that have been trapped in a cycle of debt with payday lenders. Please let me tell you the story of Monica. Monica is a single mother who recently transitioned from welfare to work. She works full-time, and goes to school in the evenings in order to get a better job, but she still had to take out a payday loan and put her car up for collateral. She fell just one month behind on a payment, and they threatened to take her car. She depends on that car to get to work and drop her child off at daycare. Without her car, she could lose her job, which would put everything else in jeopardy – her house, the ability to care for her child. But with this very high interest rate, it made it very hard for her to be able to pay the loan back. Through a program at OSU Extension paid for by an anonymous donor, we were able to provide a one-time emergency financial assistance to Monica, so she could pay off the loan and keep her car. Without our assistance, she and her child could have ended back up on public assistance or even in a homeless shelter and becoming a cost-burden on the tax payers.

Monica's story is similar to many of our families that take out payday loans. We see it first-hand. These families work hard. Because most of them pay a disproportionate amount on their housing, it burdens the rest of their budget and they often have to choose between medical costs, food, childcare, or transportation. These families are usually un-banked or under-banked, so they take out payday loans to try to make ends meet, but they just end up in this cycle of debt. Our families are actively working to get out of poverty, but these

products are working to keep them down. Once we get a handle on these payday loans with House Bill 123, our families are in a much better position to get themselves out of poverty.

Unfortunately Ohio is in this situation now because when the legislature attempted reform in 2008, the industry used their influence to carve loopholes into the legislation. With HB123 we have the chance to pass a bill without loopholes and put millions of dollars back into the pockets of Ohioans.

I believe the Senate should not amend HB123 to benefit payday lenders. I ask you to please not gut the bill and to pass the common-sense consumer protections in HB 123.

Thank you for your time. I'm available to answer any questions.