

This has been a long process, one that began, not two years ago, but rather ten years ago when Ohio voters overwhelmingly voted for regulations stricter than those before you today. These same voters have elected you to govern in ways that advance our state and protect our residents. You have a difficult job and a lot of responsibility and I thank you for the hours that you have invested in this effort.....I thank you for coming back today....a day when you could have been back in your districts or tending to other things that you do to support your work as one of our Senators. I know that this is a sacrifice for you and that many of you are here out of a desire to do what is best for our State and the people in your districts.

As I have tried to patiently wait for this process to move forward I have been inspired by a few of my favorite quotations from MLK.

King said that the arc of the moral universe is long but that it bends toward justice. This has been a long process and frankly, it is draining me as a pastor. Days when I could have been working on my sermons or visiting members of my congregation, I have been here in Columbus contributing to this effort.

Some congregations would have said, "Pastor, we didn't hire you spend time in Columbus, we hired you to be our pastor." My congregation hasn't responded that way. They are proud of the fact our church has had a small role in getting HB 123 to this point.

We've prayed about this effort, I've done sermons on what the scriptures say about usury, we have had community forums, and in some cases we have even called, written to, or visited some of you to ask for your help passing this bill.

Today we are excited because we can feel the arc bending toward justice. The end of this process is in sight and we plead with you to help us reach it this week.

Justice is a major theme in the Bible, especially the Old Testament which is a sacred text not only for Christians, but also for Jews and Muslims. Justice means fairness and scripture's major focus on justice is that we are fair for those on the fringes.....that we stand with and for those who struggle to make ends meet.

The payday lenders would say, "Wait a minute, we are serving the poor," much like the money lenders in the temple claimed to be helping the poor who had traveled to Jerusalem for passover. But the Bible calls this usury, gouging the poor when they are in need. Jesus actually called it thievery. This is a sin so serious, so harmful, that my Catholic friends listed it among the mortal sins.

I know that we cannot legislate morality. I'm not asking to support HB 123 because the Bible that I cherish as a Christian Pastor tells us to do so. I'm asking you to pass HB 123 because

of the law that is written on your hearts. Deep down I think that you know that charging single moms 360% interest, as Senator Huffman's proposal would have allowed, is morally wrong.

What is most wrong about it is its deception and its greed. Predatory lenders toss out what appears to be a life ring, but instead it is an anchor. I know what the lenders and their lobbyists have been telling you.

Let me read from a document that reveals what they are telling potential lenders. This is from Trihouse Consulting out of Nevada. They are a consulting firm specializing in short term lending.

The rates we charge are no longer much of an issue today. The real attention is given to our ability to correctly disclose our fees and adhere to all the appropriate truth-in-lending laws, UCC codes, APR computations, etc. Our ["Bible"](#) will help you address these issues.

First of all, I'm deeply offended that they refer to their lending manual as a Bible.

Starting capital? Whatever you have available. The average payday advance (PDA) is \$386 and rising. You would tie up approximately \$200 for 8 days on average. You write a check for \$175.95 for their check in the amount of \$217. That is an annual percentage rate in excess of 800%. Its obvious tremendous returns are possible! Again, our Payday Loan Startup & Manual ([more info](#)) covers the mathematics completely.

Our "Intimidation Sheet" alone, will reduce your financial losses substantially and nearly eliminate your time spent in Court.

What kind of Bible offers an intimidation sheet?

King also said, *"All men are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly, affects all indirectly."* Predatory lending with its excessive interest rates and oppressive repayment schemes affects all Ohioans. Our cities are among the fastest shrinking cities in America and under current Ohio law, lenders have free reign to pull millions upon millions of dollars, not only out of the pockets of single moms and disabled vets, but also out of our communities, out of our charitable organizations, and out of our churches.

Chairman Oelslager and members of the committee, I'm very excited to be at this point in this long process. Today I ask you to approve HB 123 so that we can get this debate behind us and begin providing relief to Ohio residents, giving them access to credit on fair terms.

Residents like those who have told me face to face about the despair inflicted upon them by predatory lending practices that enrich a few, like Mr. Saunders, Mr. Pruett, and other unnamed people who live outside our state, at the expense of hardworking Ohioans.

Please disregard the payday lenders' scare tactics. Keep in mind that there are plenty of stores in Colorado and credit is widely available there. As a reminder, I've brought three pieces of documentation that I submit with my short testimony:

1. Images of storefronts from Colorado.
2. A letter from the Colorado payday lenders' trade association where they admit that this approach to reform is workable- "a 5 percent monthly payment-to-income rate does in fact provide sufficient protections to our consumers, and has been viewed as a successful lending model in the State of Colorado for the past 6 years."
3. That is a far cry from what they were saying about that legislation in 2010. This same group of lenders was claiming many of the same things you are hearing today from the Ohio Consumer Lenders Association- that these types of reforms would be catastrophic. [They said](#) reforms "would shutter the industry."

In reality, credit remains widely available in Colorado. It would remain widely available under HB123, even more certainly so if this committee votes to give the lenders more revenue under the proposed amendment, if you feel that is absolutely necessary.

I would not support this "compromise" if it were any more generous to payday lenders.

I urge you to pass HB123 with only these minor tweaks, for the House to quickly concur and the Governor to sign this fair and reasonable approach into law.

Borrowers cannot wait any longer for relief. It's critical that a strong version of HB123 is passed immediately.



