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March 3, 2018

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Florida Senate Passes Payday Lending Bill On Rare Saturday Session

Instead of Spending Time on Gun Issue Senators Rush Through Payday Loan Expansion

Tallahassee, Florida – A bill that creates a new predatory lending product passed out of the Senate on a rare Saturday session. **Senate President Joe Negron** issued a memorandum on Friday that “The Senate will convene on Saturday, March 3, 2018 from 10:00 a.m. to 1 p.m. for the purpose of hearing Senate Bill 7026, the Marjory Stoneman Douglas High School Public Safety Act.” Setting aside three hours on Saturday to discuss the controversial bill and its 52 amendments, the Senate President curiously allowed a handful of other bills to be voted on, including the highly controversial payday loan bill, SB 920, doubling the amount lenders may loan to each borrower and increasing the cost to the consumer for the loans, with annual interest rates over 200%. Voting against the proposal were Senators Daphne Campbell (D), Anitere Flores (R), Rene Garcia (R), Jose Javier Rodriguez (D) and Annette Taddeo (D).

“The payday lending expansion bill flew through the committee process,” said **Alice Vickers, of the Florida Alliance for Consumer Protection**. “Now using this rare Saturday session to quickly pass the bill off the Senate floor indicates the deal was sealed on this bill before session even began.”

A new report released Thursday by the Florida Consumer Action Network and Every Voice Counts, “[Payday Lender Influence in Florida](#),” documents the dollars payday lenders have spent in Florida. The report found that between campaign contributions and lobbying expenditures, payday lenders have spent at least \$8 million in Florida since 2007.

Payday lenders claim they need a new product in Florida to avoid falling under a rule by the federal Consumer Financial Protection Bureau, which is meant to protect people from long-term debt traps. But the CFPB rule is under attack in Washington and may never take effect. Regardless, SB 920 and HB 857 would expand payday lending in Florida, which relies on trapping borrowers in a cycle of high-cost loans.

Reform passed in 2001 failed to stop the cycle of debt that payday lending intentionally creates. Payday lenders obtain [75% of their revenue](#) from customers caught in 10 loans per year. In Florida, over 83% of loans go to people with seven or more loans per year, and the payday lenders suck over \$300 million annually out of Florida’s economy.

Strong opposition against the bill, which will now go the House floor, has continued throughout session, with the list of opponents to the bill growing. Calls to kill the bill come from NAACP

Florida State Conference, Florida AARP, Florida Veterans for Common Sense, League of Southeastern Credit Unions, UnidosUS, Florida Conference of Catholic Bishops, Hispanic Unity, Florida Prosperity Partnership, Jacksonville Area Legal Aid, Cooperative Baptist Fellowship of Florida, 11th District Episcopal AME Church, Latino Leadership, Beaches Habitat for Humanity, Legal Aid of Palm Beach County, Legal Aid of Collier County, Catalyst Miami, Solita's House, Raise Florida Network, Legal Aid of Broward County, Manatee Community Federal Credit Union, Jacksonville Area Legal Aid, Tallahassee-Leon Federal Credit Union, Florida Legal Services and many others.

Rev. James T. Golden, of the 11th District Episcopal AME Church of Florida said, “While I do not begrudge any business from making a profit, I do not think that it is fair that most of the profit from this business comes from the backs of people who can least afford it. If you want to provide a service, provide it. But if you want to create a situation where people are just not able to get beyond where they are, the payday lending industry is for you.”

“We cannot support loans that place borrowers in a cycle of debt with 50% of these loans going to borrowers with 12 or more loans per year,” said **Marucci Guzmán, Executive Director of Latino Leadership**. “We look to our legislators to do a better job helping our community meet its financial needs.”

“We do not disagree with others who speak out on behalf of the bill that people across Florida need loans for emergencies,” said **Rev. Rachel Gunter Shapard of the Cooperative Baptist Fellowship of Florida**, “but that does not condone the practice of charging triple digit interest for these predatory loans. We support the 30% and 36% rate cap for payday loans found in SB 642 and HB 555 filed this session but committee chairs have refused to put on their agendas.”