

FOR IMMEDIATE RELEASE  
February 12, 2018  
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## **Payday Lending Bill Roundly Opposed By Faith Leaders and Community Groups Advances Again**

*Florida lawmakers will hear bill despite a week of calls to kill it*

Tallahassee, Florida — A bill that would give payday lenders a new way to ensnare Floridians into long-term cycles of triple-digit interest debt has advanced in the state legislature again. HB 857 is scheduled for a hearing before the House Government Operations & Technology Appropriations Subcommittee Tuesday, February 13 at 9:30 a.m.

As the bill moved swiftly through three committees, opposition built to a crescendo last week, with calls to kill it from the [Florida AARP](#), the [Florida NAACP](#), more than [50 faith leaders](#) from across the state, and [the Archbishop of Miami](#). The Florida Catholic Conference, National Association of Latino Community Asset Builders, Florida Prosperity Partnership, Florida Veterans for Common Sense, the Cooperative Baptist Fellowship of Florida, UnidosUS, Florida Hispanic Unity, Florida Legal Services, League of Southeastern Credit Unions and many others have also voiced their opposition.

*Read the **open letter** signed by 56 faith leaders from across the state, along with the AME Church of Florida (consisting of more than 400 churches), National Baptist Convention USA, Inc., Cooperative Baptist Fellowship, and Ecumenical Poverty Initiative:*

*<http://flacp.org/wp-content/uploads/2014/02/Florida-Faith-Letter-Feb-7-2018.pdf>*

*Listen to the **audio press conference** (and read quotes below) of a former payday borrower, his pastor and other Florida faith leaders: <http://bit.ly/2EektKA>*

HB 857 and its companion in the Senate, SB 920, would allow loans twice as large as the current limit, up to \$1,000, with 60- to 90-day terms and annual interest rates over 200%. According to an analysis from the Florida Office of Financial Regulation, a borrower in debt for 60 days currently pays [\\$110 in fees for \\$1,000, but would pay \\$214.68 under SB 920](#). And payday loans financially devastate borrowers because they are structured to keep them paying the triple-digit fees over months or years, whether they are short or longer-term loans.

A representative of Amscot, a large payday lender, testified that his company needs the new law because the federal Consumer Financial Protection Bureau released a new rule impacting his business. That rule would require payday lenders to assess the ability of borrowers to repay their loans, something most lenders already do. But the rule is not scheduled to take effect until August of 2019, and it is under attack by members of Congress and the new director of the Consumer Bureau, so it may not ever be put into place.

**Faith leaders and a former payday borrower spoke out in a press conference last Thursday**  
(<http://bit.ly/2EektKA>):

“On behalf of the millions of people that have actually been involved in this type of predatory lending, you start off as a customer but you eventually become a victim...I quickly found one \$425 payday loan put me in a spiral to where when the next payday came the money that I had to pay to the loan would make me short somewhere else...It is just a treacherous trap and a juggling game. You are not borrowing from Peter to pay Paul, you’re borrowing from the devil to pay the devil.” -- Elder Wayne Wright, Mt. Olive Primitive Baptist in Jacksonville.

“I serve in a community in one of the toughest hit areas of Jacksonville ... I represent 236 churches throughout Florida where we have looked in our communities and found that payday lending is set up in communities least able to afford opposition to those lenders... This bill would not reform payday lending even though it is badly needed, but instead...it would add another type of high-cost debt trap payday loans to the toolkit of payday lenders.” -- Pastor Lee Harris, Mt. Olive Primitive Baptist in Jacksonville.

“It is an injustice to punish those or to box persons in who find themselves needing assistance.” - Bishop Teresa Jefferson-Snorton, 5th District of the CME Church, Florida.

“I consider it an economic justice issue, it is a consumer protection issue for the poor and often the not-so-poor, who need a quick loan to cover some unexpected expense, but they’re invited to their own financial funeral and interment.” -- Bishop Adam J. Richardson, 11th District of the AME Church, Florida.

“Why are Florida lawmakers listening to payday lenders and not to those of us who have our fingers on the pulse of the communities that are hardest hit by predatory lending?” -- Rev. Rachel Gunter Shapard, Cooperative Baptist Fellowship of Florida.

“It seems it’s open season for vultures to take advantage of the most vulnerable members of our society...The payday lending industry raked in more than \$300 million last year and we need to think of that \$300 million as peanut butter and jelly sandwiches for our poorest children.” -- Rev. Dr. Russel Meyer, Florida Council of Churches.

**In a letter, civil rights attorney Benjamin Crump expressed opposition to the bill:**

“Payday lending puts the burden of extremely high interest rates on people of extremely low means. And these loans offer no value but instead serve to systematically redistribute wealth from low-wealth communities to large, corporatized predatory lenders. And as with so many other issues, this is one that has a devastating impact to the fabric of Black and Latino communities... We cannot in good conscience let a sophisticated means of exploitation, especially one that can be resolved with such a simple solution, continue to destroy good and decent people. Florida lawmakers should reject this new product and instead pass a usury cap on payday loans – just as people across this state are asking them to do.”

**Rev. James T. Golden, social action director of the AME Church in Florida, gave committee members an impassioned plea:**

“The reality is that on a per annum basis, all of the products that have been produced for consideration by the legislature in Florida have triple-digit interest rates. While we debate this in the two hours that have been granted, there are people who have to live with this for six months, or for a year. And the reason we complain is that they live with this much longer than that because these products keep them in debt, keep them from being able to move beyond the sad state that they find themselves in....

...I find it very difficult to be sympathetic to multi-millionaires sitting in here saying to you, we need help, when you all know that the resources this preacher and I bring to bear on this situation doesn't come with one campaign contribution. But it comes with a heartfelt plea to you to do the right thing by the people who couldn't come here today. Do the right thing by the people who couldn't lift their voices because they've been too busy paying off these loans they've gotten from the industry.