Faith Leaders Unite Against This Detestable, Soon-to-Be-Legal Practice

As Florida lawmakers move a bill legalizing a new 200 percent interest payday loan through legislative committees, faith leaders are urging them to kill the bill and get serious about reforming predatory lending in the state.

An 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, asks lawmakers to stand up for Floridians and against predatory lenders by voting against SB 920/HB 857. That proposal would let Florida payday lenders make larger, more expensive loans in addition to those that already flood low-income communities in the state.

As described in the letter:

> *Predatory payday lenders cause serious damage to our communities. They target and exploit those in the most vulnerable situations by giving them high-interest loans. These loans, which often carry triple-digit interest, trap borrowers in an unaffordable cycle of debt. Often these borrowers come to our churches and community services after payday lenders have already drained all their financial resources and crushed their spirits. This is detrimental to both the borrowers' financial security, emotional and financial strength of families and our ability to provide aid to our community.*

In a conference call this morning, several of those leaders spoke out against the bill, citing cases where members of their congregations had been caught in the debt trap of payday lending. On the call were Rev. Rachel Gunter Shapard, Cooperative Baptist Fellowship of Florida; Bishop Adam J. Richardson, 11th District of the AME Church, Florida; Pastor Lee Harris, Mt. Olive Primitive Baptist in Jacksonville; Elder Wayne Wright, who has been personally impacted by payday loans; Rev. Dr. Russell Meyer, Florida Council of Churches and Bishop Teresa Jefferson-Snorton, 5th District of the CME Church, Florida.

The proposal 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 $ 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 at a committee hearing 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. 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.

The Florida NAACP, the AARP, 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 are among the many groups who oppose legalizing a product that would snare borrowers in a debt trap even deeper and more damaging than traditional payday loans.