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## **Outpouring of Opposition Fails to Break Payday Lenders' Hold on Florida Legislature as Payday Loan Expansion Bill Races to Governor**

*Faith leaders, civil rights groups, state and community advocates' objections fall on deaf ears as Florida House joins Senate in passing a new 200% interest predatory loan bill*

Tallahassee, Florida — As a new report shows payday lenders have invested at least [\\$8 million in Florida since 2007](#) between campaign contributions and lobbying expenses, the [House voted](#) to pass SB920/HB 857 today, a bill that a spokesperson from the Office of Financial Regulations [admitted to a reporter](#) was proposed and “run” by the payday lending industry.

The bill, which [passed](#) the Florida Senate on a rare Saturday session called by President Negron to debate measures to address gun violence, now heads to Governor Scott, who could kill the measure with a veto. The bill would double the amount lenders may loan to each borrower and increase the cost to the consumer for the loans, with interest rates over 200% annually.

Groups opposing the bill include the 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 others.

**Color Of Change**, the nation's largest online racial justice organization, with more than one million members, including tens of thousands of Floridians, called on its Florida members to urge their representatives to oppose the bill.

“Despite the predatory nature and discriminatory impact of payday lending corporations, Democrats and a striking number of members of the Florida Black Legislative Caucus have continued to carry water for this morally bankrupt industry. For all of us, it is extremely important to make sure Black elected officials know that they are accountable to our communities, not to companies giving them thousands of dollars. We have to be able to count on the decision-makers that we've put in power to hold the line and act for us, not to the detriment of our families,” said **Brandi Collins-Dexter, Senior Campaign Director**. “We will continue to fight back against this predatory bill and encourage our members to call Governor Scott's office and demand he veto it.”

Research shows that payday lenders locate disproportionately in communities of color even in comparisons of neighborhoods with similar income levels, including [in Florida](#).

“[Payday Lender Influence in Florida](#),” was released Thursday by the Florida Consumer Action Network and Every Voice Counts. In addition to documenting at least \$8 million spent by payday lenders in Florida since 2007, the report found that the Florida Republican Party accepted over \$1.1 million of payday lender cash in the past decade. The Florida Democratic Party took at least \$412,500, and the PAC of Governor Rick Scott, called *Let's Get to Work*, took at least \$175,110.

A spokesperson for the Florida Office of State Regulations admitted the payday lenders’ overwhelming influence to a Miami Herald/Tampa Bay Times reporter in an [article released Monday night](#). Said Jamie Mongiovi, “It was an industry-proposed bill, it was an industry-run bill. We weren’t running the show here.”

“We have watched this bill sail through one committee after another where most of our lawmakers have given deference to payday lending lobbyists and all but ignored the real harms presented to them by groups and individuals who know the nature of payday lending all too well,” said **Alice Vickers, of the Florida Alliance for Consumer Protection**. “Just this week, I spoke with a retired woman named Maria from Palm Beach County who has been trapped in a payday loan for 8 years. Why are lawmakers falling for the payday lenders’ denial that their business is based on trapping people in debt at triple-digit interest rates? Governor Scott should step up where they have stepped back and veto this bill.”

Reform passed in 2001 failed to stop the cycle of debt that payday lending intentionally creates. 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 the state’s economy. The new bill would add an additional product, not reform current payday lending practices.

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 Consumer Bureau rule is under heavy attack at the federal level which puts its future in doubt, and it is not scheduled to take effect until August 2019.

Floridians whose communities will be harmed by these predatory lending products consistently raised their voices in opposition, but were unheeded by their elected officials:

**The Rev. James T. Golden of the AME Church in Florida** asked members of the Senate Appropriations committee to be honest that they are helping the industry and not consumers. Testifying before a House committee, **Rev. Golden** said: “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.”

**Adora Obi Nweze of the Florida NAACP** said in a Miami Herald opinion editorial: “Rather than receiving help through a crisis, payday borrowers report a worsening of their financial situations after getting caught in the debt trap. They have increasing trouble paying living expenses as time goes on. Some people lose their bank accounts after repeat overdrafts, forced by the unmanageable terms of payday loans. After doing everything they can to get through a tough situation, some folks even end up having to file bankruptcy. Those who say with a straight face that these loans provide a valuable service have just not done their homework.”

**Jared Nordlund, with UnidosUS**, said, “We do not see usurious loans as a valid alternative for any consumer. Our communities are targeted by these businesses, and we should not be a haven for these predatory lenders.”

“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.”

**Faith leaders including a former payday borrower spoke out in a press conference in February** (<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 ... 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. Russell Meyer, Florida Council of Churches.**

In a [letter](#), **Florida-based 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.”

Many faith leaders and other advocates support capping annual interest rates on Florida payday loans at 30%. A cap of 36% APR or less protects people from predatory lending in fifteen states and D.C. In these jurisdictions, former borrowers express [relief at being sprung from the trap and report a variety of strategies](#) for dealing with cash shortfalls that are much cheaper and less harmful than payday loans.

While payday lenders claim APR is irrelevant for payday loans because they are short-term, the APR is actually a legally-mandated disclosure allowing borrowers to make an apples-to-apples comparison of the costs of various credit products such as an advance on a credit card, which is typically a fraction of the cost of a payday loan.