



, ESTATEMENT ON AMENDMENT TO SET REASONABLE INTEREST RATES ON CONSUMER LOANS

Floridians need lending protection so that our families can thrive and the economy prosper. We need a constitutional guarantee that ends lending exploitation. Uncaring lenders are taking advantage of our vulnerable families in desperate circumstance, and this is grossly unfair. A civilized society does not let a few create their wealth by charging exorbitant interest of their neighbors facing tough times. A civilized society protects their needy neighbors from those who want to profit from the misfortune of others. A constitutional amendment establishing a clear maximum amount of reasonable interest on consumer loans is the best way to make sure Florida maintains fairness in the marketplace.

The Bible speaks with clarity that charging interest on loans to the poor is immoral. The Law of Moses says, "If you lend money to my people, to the poor among you, you shall not deal with them as a creditor; you shall not exact interest from them." (Exodus 22:25) Jesus taught his disciples to pray, "forgive us our sins, for we ourselves forgive everyone indebted to us." (Luke 11:4) The economic system today however different from the one in scripture, nonetheless, is measured by how well it protects impoverished and vulnerable people from exploitation. Squeezing struggling families of the last pennies in their pockets denies children food and shelter, medicine for the sick, and hope for getting ahead. Payday loans that charge an average of roughly 300% interest don't contribute to greater prosperity in Florida's economy. These loans only double-down on making people poorer.

Our partners in the coalition for responsible lending reform can explain in detail the unfairness in the current practice of payday loan interest and fees. Over the years the Florida Council of Churches along with many others has supported efforts to end exploitation. We spoke against the former practices of car title loans which often led to taking a family's car and leaving them deeper in debt. The reforms adopted then have proven inadequate. Loopholes allow loans fees and amendments to hide the real interest being charged. Attempts to better inform consumers about these costs do not absolve lenders of wrongness and unfairness of charging exorbitant rates. When our neighbors are being cheated, we all have the moral responsibility to intervene on behalf of those in need.

When we look in the community for payday lenders, where do we find them? No great search is needed. These predatory businesses are in impoverished neighborhoods. In some places, they are more common than food stores. They are not businesses that contribute to the prosperity of the neighborhood. At 300% and 400% interest, payday lenders falsely offer financial help while creating greater debt, and then take their unfair profits out of the community. Jesus asks, "Is there anyone among you who ... if the child asks for an egg, will give a scorpion?" (Luke 11:11f) Predatory lenders give scorpions and we should stop them.

Ending predatory lending practices to the impoverished will create the opportunity for fair and responsible consumer lending. That's a goal we all should want. Responsible lending can help improve the lives of struggling families and strengthen neighborhoods. Faith leaders support the constitutional amendment to establish reasonable limits on loan interest and fees because it fights impoverishment and promises prosperity. Those are goals we think everyone should and can embrace.

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