

**Each year, Payday
lending lures
420,000 Ohio
families into the
debt trap**



Help Us Break This Trap!

Join the

**Coalition for
Responsible Lending**

Who is the Coalition for Responsible Lending?

We are a coalition of advocates, religious leaders, community groups, labor organizations and citizens dedicated to fair and just lending practices by small loan lenders in Ohio.

Join with us by completing the attached endorsement form and faxing or mailing it to us today.

Contact Us:

**Coalition for Responsible Lending
Tom Allio, Senior Director,
Cleveland Diocesan
Social Action Office
Phone: 888.620.5280
Fax: 330.535.9040
7800 Detroit Avenue
Cleveland, Ohio 44102**

Sources:

Center for Responsible Lending
www.responsiblelending.org

Policy Matters Ohio
www.policymattersohio.org

Coalition for Responsible Lending
c/o Cleveland Diocesan Social Action Office
7800 Detroit Avenue
Cleveland, Ohio 44102





And it's all legal in Ohio!

Some say high usury credit is better than no credit, and that lenders should be able to charge whatever the market will bear.

Do you think that's fair?


Customer Experiences in the Debt Trap


John, 62, of Fremont walked to the payday lending outlet and borrowed \$575 to help with his daughter-in-law's funeral. Now he can't get out of the borrowing cycle.

Peg, 47, of Wooster, a disability benefits recipient borrowed \$500 for medicine and an urgently needed car repair. She took out a second loan to help pay for the first, ultimately costing her \$1,950 over the course of a year.


Irene, 69, of Cleveland, retired on a fixed income. She shares a car with her son and originally went to a payday lender to cover the cost of repairs. Now she finds herself in a 20-loan cycle attempting to pay off the original loan. She sees no end in sight.


THE FACTS...


 In 2006, there were 1,562 payday lender locations in Ohio (up from 107 in 1996 – almost a 1500% increase)!


 Ohio has more payday lending locations than McDonalds, Burger King, and Wendy's Restaurants combined!

 86 of 88 Ohio Counties have at least one payday lender location.


 Payday loans are marketed as short-term loans for those in crisis, but are intentionally structured so that borrowers continually have difficulty paying them off. 99 percent of borrowers become trapped in a cycle of debt!

 Borrowers pay the equivalent of 300% to 400% APR on these loans!

 Payday lending traps 420,000 Ohio families annually in a cycle of chronic borrowing!

 Ohio recently “de-regulated” its payday lending regulations, thus raising the maximum level of payday loans from \$500 to \$800!

 Payday lending has become a \$40 billion industry nationwide!

 Over half of payday revenues are extracted from borrowers who take out 12 or more loans per year.

ENDORSEMENT FORM

Ohio's working families pay millions of dollars in excessive fees every year, as payday lenders across the state routinely flip small cash advances into long-term, high-cost loans with annual interest rates in the range of 391%. The average payday borrower pays \$800 to borrow \$325. Current Ohio law does not protect Ohio families from payday lending debt traps.

The Ohio Payday Lending Coalition seeks to make fair and just lending practices by small loan lenders a reality for all Ohio's citizens. We oppose the unfair lending practices within the payday loan industry in Ohio, where so many Ohioans seek out small loans during critical times of need. According to a recent national study, payday lending costs Ohioans \$209 million annually.

By signing your name in endorsement below, your organization recognizes itself as a supporter of the Ohio Payday Lending Coalition and its goals, offering your name in endorsement of this coalition and its campaign for just legislation.

[Signature & title of person authorized to sign for organization, & date:]

Name: _____

Organization: _____

Address: _____

Phone: _____

Fax: _____

Email: _____

Send signed endorsement form or donations to:
Coalition for Responsible Lending
c/o Tom Allio, D.S.A.O.
7800 Detroit Avenue
Cleveland, OH 44102
or fax to 216.939.3850