

# Cleveland Plain Dealer

## Ohio legislators aim yet another dart at 'payday' lending excesses: editorial

By [The Plain Dealer Editorial Board](#)

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Ohio House members have recrafted a plan to do what Ohio voters in 2008 said loudly, unmistakably, they wanted done -- curbing "payday" lenders.

You'd think that question was settled a year ago last November. That's when 64 percent of those Ohioans voting capped annual percentage rates (APRs) on payday-loans at 28 percent. But you'd be wrong.

That's because payday lenders reincarnated under Ohio loan laws that let them charge interest and fees that can produce APRs of 391 percent, plus -- the very APRs the 2008 law was supposed to prevent.

An Elyria Democrat, Rep. Matt Lundy, aimed to close those loopholes with an Ohio House bill introduced June 4. But a lobbying army hired by lenders, and the betrayal of Ohio consumers by some legislators, seemingly put the kibosh on Lundy's proposal.

Now Lundy has fashioned a new plan, co-sponsored by Lancaster Republican Gerald Stebelton. And the Lundy-Stebelton bill has been assigned to Lundy's own House committee, Consumer Affairs and Economic Protection. (Lundy's June 2009 bill stalled in another House committee.)"

""""The Lundy-Stebelton bill, according to the Coalition on Homelessness and Housing in Ohio, would forbid payday lenders from charging borrowers a fee for cashing the lenders' own loan check -- a scam by lenders to soak Ohio borrowers. The bill would also let payday lenders charge only one "loan origination" fee and "credit check" fee every 90 days for loans of less than \$1,000.

Finally, Lundy-Stebelton would forbid payday lenders from "brokering" loans. According to legislative testimony by COHHIO's Bill Faith, brokering can push the APR on a payday loan as high as 670 percent.

Gov. Ted Strickland, who supports the Lundy-Stebelton bill, said it "will strike at the core loopholes payday lenders have found . . . to continue to take advantage of Ohio families." He's right -- as were Ohio voters 18 months ago. Loophole-closing by the House and Senate is grotesquely overdue.