

Vote NO on Payday Lender-Backed HB 1913

- **This bill is not about consumer choice** – it’s about providing the payday loan industry with a way to make more money by preying on economically vulnerable Oklahomans. HB 1913 would allow predatory lenders to charge interest rates 6 times higher than what is allowed under current Oklahoma law. Borrowers don’t choose high interest loans because they are the best choice – they get them because predatory lenders make sure they are the first and easiest option available.
- **These loans would be unaffordable for many borrowers.** HB 1913 would allow lenders to charge over 200 percent annual interest on small loans. A loan of \$1500 would come with \$2108 in interest and a monthly payment as high as \$300. And lenders would not be required to verify the borrower’s ability to repay the loan.
- **These loans are not a safety net – they are a debt trap.** Payday lenders attract new customers by offering teaser rates to borrowers without verifying their ability to repay the loan. When the borrower can’t repay the loan, the lender offers a second loan (at the regular, outrageous rate) to pay down the first loan. Borrowers are then trapped in a cycle of taking out new loans (each one with new fees and interest) to repay existing loans.
- **Consumers can get by without payday loans.** Fifteen states and D.C. ban or severely restrict predatory lending and residents have found alternative ways to cover unexpected expenses. In these states, 95 percent of would-be payday loan borrowers find other, more responsible ways to cover unexpected expenses (PEW Research). Doing away with these predatory loans creates a climate that promotes financial responsibility.
- **The payday loan lobby is telling legislators one thing and their shareholders another.** They are telling you that HB 1913 is needed because new federal regulations would put them out of business – but that’s not what they’re telling their shareholders. According to a leading payday lender, it’s highly unlikely that any new regulations will be implemented before 2019 – if they are at all.

“So to the extent there are rules, I think it's 2019. To the extent there are rules, they’re certainly likely to be more favorable to us than the proposed rules, but there certainly is a scenario where there aren't any rules. There aren't any significant rules.”

-- Enova in their January 2017 earnings call