



MISSOURI  
**PROVOTE**

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## **SWMO Consumers Protest Payday Loan Abuses on St. Patrick's Day Activists demand that lawmakers regulate the pot of gold that payday loan companies are sitting on.**

[Springfield, MO] – Local advocates and consumers gathered outside Advance America, 1773 S Glenstone today, Wednesday, March 17, to protest financial abuses by payday loan companies. Advance America is the nation's largest payday lender and is actively opposing reform of its industry.

As the Senate takes up financial reform, lobbyists from the payday loan industry have kicked up their lobbying efforts to make sure that companies that make short-term cash loans are excluded from regulation by federal financial reform legislation. In state capitals around the country, payday companies have been fighting over 100 pieces of legislation aimed at safeguarding borrowers from high interest rates and from falling into excessive debt.

“Companies like Advance America are taking advantage of the crises that consumers are facing during the recession. Most of the loans that consumers take out are emergency loans – to pay the rent or to keep the heat on. But then these same people are paying 430 percent interest on a \$100 loan. The past couple of years, we've seen so many people who are in financial crisis. But not these payday loan companies –they are thriving and they are going to spend what it takes to protect their outrageous profits,” said organizer of the event, Kay Mills.

Advance America, in 2009 reported \$54 million in net income, a 41 percent increase over the previous year. A report last year by Citizens for Responsibility and Ethics in Washington, a nonpartisan watchdog group, found that the payday industry increased spending on lobbying to \$2.1 million in 2008, from \$730,000 in 2005.

- The latest Missouri Division of Finance report documents that payday lenders in Missouri charge an average interest rate of 430.68 percent. Missouri's weak law allows interest rates of up to 1,980%.
- Last year alone, there were 1,315 licensed lenders in Missouri an increase of 44 percent since 2003.
- The total numbers of payday loans made during the reporting period exceed 2.83 million.
- Unlike surrounding states, Missouri allows six loan renewals. Fees are charged for each renewal resulting in financially unsophisticated workers falling into spiral of debt, which often results in the repossession of cars and other belongings.
- The states surrounding Missouri: Arkansas, Kansas, Iowa, Tennessee, Kentucky, Nebraska, Illinois, and Oklahoma, forbid renewals.

Local activists called on Congressman Roy Blunt and Senators Bond and McCaskill to stop payday loan abuses at the federal level. At the state level, activists demanded that Speaker of the House Ron Richard give payday loan reform a hearing this year.

State representatives Charlie Norr (D-137) and Sara Lampe (D-138) are sponsoring a hearing in Springfield on payday loan reform (HB 2116) on Thursday, March 18 at 6:30 p.m. at Sacred Heart Catholic Church. The hearing is an external hearing. House Speaker Ron Richard has not assigned the payday loan reform bill to a hearing this year.

[Americans for Financial Reform](#) is a coalition of over 200 national, state and local consumer, labor, retiree, investor, community, business, and civil rights organizations who are campaigning for real reform in our nation's financial system. [Missouri Progressive Vote Coalition \(Pro-Vote\)](#) is a statewide coalition of forty labor unions and community groups founded in 1992 to give grassroots organizations the tools to engage their membership in the public policy process. Pro-Vote and our member groups work on a wide variety of issues, including quality public education, quality & affordable health care access, workplace safety, environmental protection, living wage, civil rights, gun safety, reproductive rights, lesbian / gay / bisexual / transgendered rights, and pay equity.

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