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Politicians Attempt to Shield Florida's Predatory Payday Lenders

Bill Would Make Sham Law Model for the Nation

WASHINGTON – In late November, a bipartisan group of members from Florida's congressional delegation filed a bill in the House of Representatives that would exempt the state's payday loan industry from national rules aimed at ending abusive low-dollar lending. The bill would delay implementation of any rule for two years after it was issued and then exempt not only Florida but also other states that adopt Florida's sham regulatory model.

"A good law is one that solves the problem it purports to address. Florida's does not," said Jabari Paul, political director of Faith in Florida, a member of the Stop the Debt Trap campaign. "Florida's lenders still charge triple-digit interest rates and still operate on a business model that is designed to trap borrowers in a cycle of debt that they emerge from only after paying double or triple the amount of the original loan in interest.

"The Florida statute on payday lending enshrines into law a smokescreen of regulation behind which predatory lenders can hide their fundamentally unfair business practices. The politicians who are bending over backward to support an industry that devastates financial futures for thousands of their constituents should be ashamed of themselves."

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Stop the Debt Trap, a campaign to end abusive high-cost, low-dollar lending, is a project of Americans for Financial Reform, the Center for Responsible Lending, Consumer Federation of America, National People's Action, PICO National Network and the National Council of La Raza.