

To: Interested Parties
 From: Celinda Lake, Bob Carpenter, David Mermin, Emily Garner
 Re: New Data Shows Strong Support for Regulating High-Interest Lending
 Date: May 5, 2020

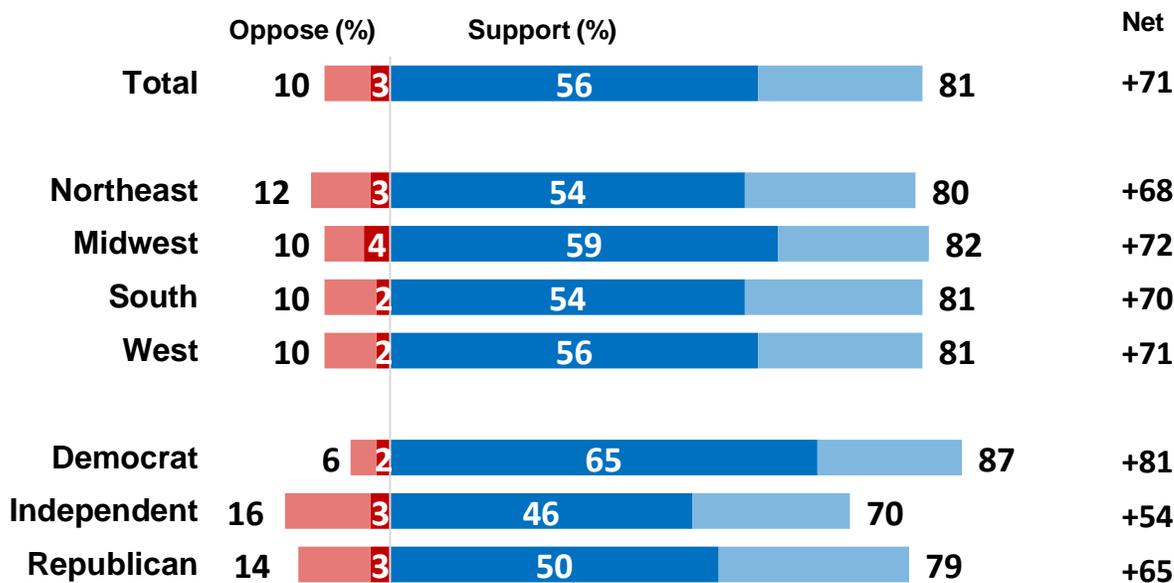
Americans of all partisan identities, and across all regions of the United States, strongly support enacting new consumer protections on high-interest lending during the coronavirus crisis. Americans are highly supportive of prohibiting all high-interest loans during the crisis and of capping interest rates for consumer loans, according to a new bipartisan poll from Lake Research Partners and Chesapeake Beach Consulting.

Lake Research Partners and Chesapeake Beach Consulting designed this nationwide survey, which was administered by Engine Insight's CARAVAN omnibus.¹

Americans strongly support prohibiting high-interest loans during coronavirus crisis²

- Eight in ten Americans (81%) support prohibiting all high-interest loans during the coronavirus crisis, including over half (56%) who do so strongly. Support is robust and nearly identical across all regions of the country.
- While Democrats are most enthusiastic about the policy (87% support; 65% strong support), Independents (70% support) and Republicans (79% support) are also in favor by large margins, and with strong intensity, as measured by those who strongly support the policy.

Prohibiting All High Interest Loans During Crisis



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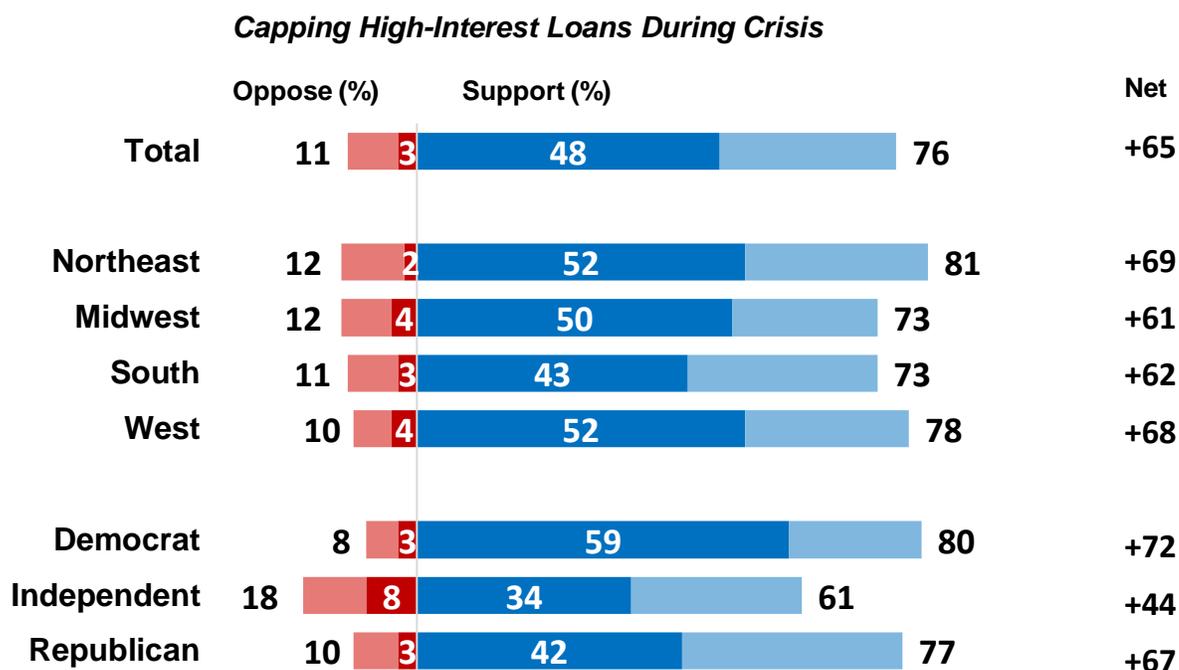
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¹ Lake Research Partners and Chesapeake Beach Consulting designed this survey which was conducted by Engine Insight's CARAVAN between April 15-17, 2020 online. The survey reached a total of 1,004 adults nationwide. Data were weighted slightly by age, gender, region, race and education. The margin for error is +/- 3.1% and larger for subgroups.

² Q 9/10b (Combined split sample; differences indicated in brackets). Some lawmakers in Congress have proposed enacting new consumer protections for the duration of the coronavirus crisis [as a way of preventing lenders from taking advantage of borrowers and relieving financial pressure on individuals]. Please indicate whether you support or oppose each of the proposals below: Prohibiting all high interest loans.

Americans also support the option of capping high interest loans during the crisis³

- Over three-quarters of Americans (76%) support capping high-interest loans for consumers during the coronavirus crisis, including nearly half (48%) who do so strongly, after hearing arguments both in favor of and against the policy. Support is strong across regions.
- Democrats and Republicans support a rate cap in nearly equal numbers, with over three-quarters of both in favor (80% Democrats, 77% Republicans), while intensity from Democrats is highest (59% strong support). Over six in ten independents are also in favor (61% support).



³ Q 11/12 (Combined split sample; split versions included below). Businesses and individuals are both struggling as a result of the coronavirus crisis. As you may have heard, the government is currently providing direct payments and very low-interest financing to many banks and businesses as part of its pandemic relief efforts. [ROTATE STATEMENTS]:

Statement A:

Version 1 (Some/other) people say that if banks and businesses are getting loans at very low or zero interest rates, interest rates that lenders can charge consumers should be capped to help struggling families at this challenging time.

Version 2 (Some/other) people say that interest rates should be capped for consumer loans during the crisis, to prevent corporations from making windfall profits off of hardship caused by the pandemic.

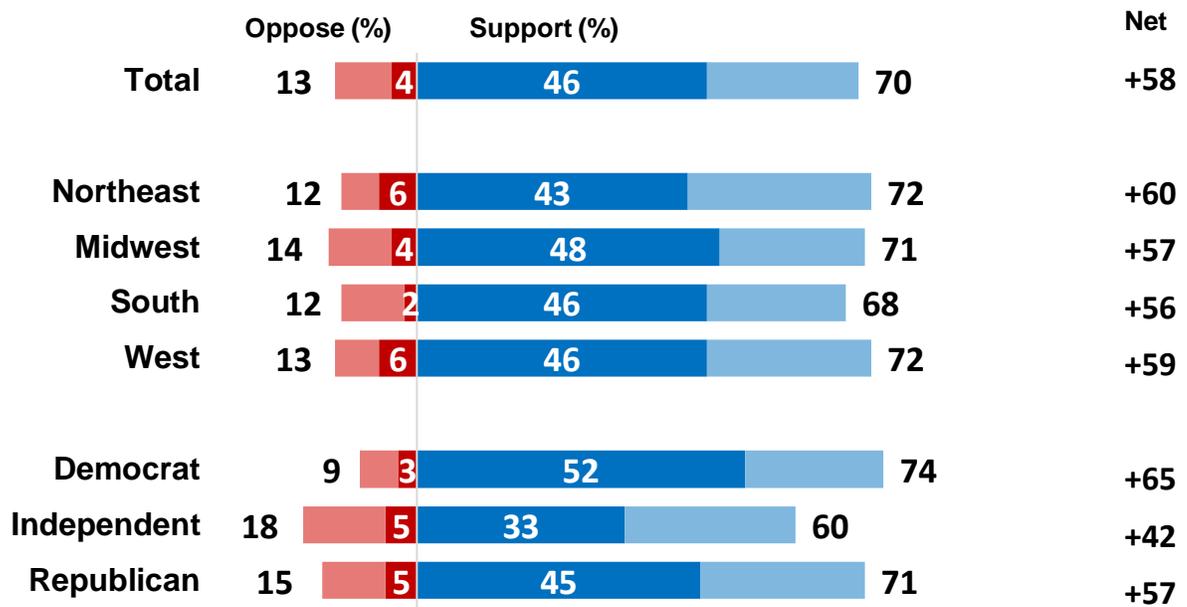
Statement B: (Some/other) people say lenders need to be able to charge whatever the market rate allows in order to make credit available, give consumers more choice, prevent closures, and get the economy moving again.

Do you support or oppose capping high interest rate loans for consumers during the crisis?

Seven in ten Americans support a rate cap of 36% on high cost loans during crisis⁴

- Seven in ten Americans support capping interest rates on high-cost loans at 36%, with nearly half strongly in support (46%). Support extends across Democrats (74%), Republicans (71%) and independents (60%), and is consistent across regions.
- Prior research suggests that to the extent there is a drop-off in support between prohibiting or capping high-interest loans and capping them at 36%, it is largely because respondents consider 36% too high, not because they oppose caps.⁵

Capping Rates on High-Cost Loans at 36% During Crisis



Please feel free to contact Celinda Lake (clake@lakeresearch.com) or David Mermin (dmermin@lakeresearch.com) at 202-776-9066, or Bob Carpenter (bobcarpenter1957@gmail.com) for additional information about this research.

⁴ Q 9/10c (Combined split sample; differences indicated in brackets). Some lawmakers in Congress have proposed enacting new consumer protections for the duration of the coronavirus crisis [as a way of preventing lenders from taking advantage of borrowers and relieving financial pressure on individuals]. Please indicate whether you support or oppose each of the proposals below: Capping interest rates on payday and other high cost loans at 36%.

⁵ A poll conducted by Morning Consult between January 9 and 15 on behalf of Center for Responsible Lending also found strong support for capping rates for payday loans at 36%. The poll also found that most respondents across party lines that opposed a 36% rate cap oppose it because they thought that 36% annual interest was too high. See: <https://www.responsiblelending.org/media/new-morning-consult-poll-shows-broad-bipartisan-support-among-voters-36-interest-rate-cap>