



Letters

January 12, 2020

Predatory payday loans harm Indiana's most vulnerable residents

Every year payday loan companies take \$70 million out of the Indiana economy in fees and make huge profits off the backs of the poor, mostly affecting those in our urban areas and predominantly people of color.

These loans are sold as a solution to a short-term financial need, in truth they are a trap that captures the average borrower in a round of eight to 10 loans, borrowing and re-borrowing to escape the ever-growing debt due to astronomical interest rates and fees—now capped at 391%. And, 86% of these payday companies are not even based in Indiana.

To protect the \$60 million in profits made here, these companies send in high-powered lobbyists whenever their business practices are challenged. This year, again, Indiana Sen. Greg Walker has introduced a bill (Indiana Senate, SB 26) which will cap interest rates and fees to a total of 36%, matching the federal caps for loans to military personnel. At our current 391% rate, it is clear Indiana's General Assembly has legalized theft from those who can least afford it.

Citizens of Indiana cannot allow our laws to sanction lending that preys on the poor and most vulnerable among us. Please call Sen. Eric Bassler and ask him to schedule a hearing on this important bill and then call your state senator and ask them to co-sponsor the bill and to vote yes on SB 26. Here are the phone numbers. Do it today. Call (317) 232-9400 or (800) 382-9467.

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