



Payday Lending Campaign Agrees to Toss Disputed Signatures Consumer Groups Warn Issue 5 Still Expected to Make November Ballot

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COLUMBUS -- The payday lending campaign finalized an agreement today to throw out all petitions circulated by a California company with an abysmal ethical track record, as part of a settlement with consumer groups working to keep Ohio's payday lending reform law in place.

The agreement ended the need for a public hearing to determine whether Issue 5, the payday lending referendum, should be kept off of the Nov. 4 ballot.

"This is a positive development for consumers and for fair elections, but it does not deal a fatal blow to what is emerging as one of the most dishonest and deceptive campaigns Ohio has endured in a very long time," said Bill Faith, executive director of the Ohio Coalition on Homelessness and Housing in Ohio (COHHIO). "We fully expect Issue 5 to be on the ballot."

The settlement means that the lenders will be unable to include in their tally the 12,928 signatures collected by the California-based Arno Political Consultants that have already been submitted. It also means that the lending campaign cannot submit any signatures collected by Arno after the initial ones were filed on Labor Day.

The national payday lobby is financing the multi-million dollar campaign, which seeks to ask voters to undermine Ohio's new law that caps the annual interest on payday loans at 28 percent, down from the 391 percent allowed previously.

A YES vote on Issue 5 keeps the 28 percent rate cap in place. A NO vote allows lenders to keep charging 391 percent interest APR.

The campaign has been dominated by evidence that petition circulators falsely claimed that the referendum is designed to lower interest rates -- not raise them --; allegations that homeless people were paid to sign petitions, a practice banned under Ohio law; and charges that Arno did not file the proper disclosure forms which are required to guard against fraud.

Arno's shoddy track in other states shows why these forms are necessary to alert the public about which outside outfits have been brought in to influence Ohio's elections, said Faith, one of the leaders of the YES on Issue 5 effort.

According to "Abusing Direct Democracy," a 2007 report by the Ballot Initiative Strategy Center, Arno is known for being "accused of deception and illegalities."

Unrelated to the Arno matter, the county boards of elections in Montgomery, Hardin, Hancock and Allen counties are investigating potential election fraud on the payday lending referendum petitions.

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IS 391% TOO HIGH? VOTE YES ON 5 COMMITTEE

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