



**Diocesan Social Action Office**

# **CAUTION : FYI**

## **PAYDAY LENDERS BEGIN CIRCULATING PETITIONS**

The National payday lobby was granted the go-ahead by Ohio's Attorney General to start circulating petitions in support of a referendum to rescind the reform law recently passed by the Ohio Legislature (HB 545). Their proposal is to exempt payday lenders from the 28% rate cap recently passed and allow payday lenders to continue charging 391% APR. In her statement (as reported in the Columbus Dispatch), Rogers noted that the language offered to the people of Ohio for signature will be "inherently confusing."

Among other measures, HB 545 reduces the payday loan interest rate cap to 28% APR and includes measures supporting the development of alternative products for those in need of short term loans. The legislation is now on hold due to this referendum effort.

**ACTION:** In the teachings of our faith we have many warnings about usury and exploitation of people. HB545 established needed reform. **The Diocesan Social Action Office is discouraging parishioners from signing the petitions being circulated by the industry.** The reform of payday lending was a hard fought struggle that resulted in one of the strongest bills in the nation. Advise your family and friends that HB 545 provided the necessary reform, as well as safeguards, for those needing short term, emergency loans.

