

**IS 391%
TOO HIGH?
VOTE YES ON 5**

Across Ohio, people are talking about payday lending reform and asking, "Is 391% interest too high?" The answer is YES! Vote YES on Issue 5!

Here's what's been said:

"We did not ban payday lending, we reformed payday lending. These reforms are good for Ohio."

– Gov. Ted Strickland, a Democrat and honorary co-chair of the *Vote Yes on Issue 5* campaign

"Many families are finding it difficult to make ends meet. Charging 391 percent interest rates and allowing for limitless repeat borrowing and constant debt, are no way to prop up a struggling Ohioan."

– Senate President Bill Harris, an Ashland Republican and honorary co-chair of the *Vote Yes on Issue 5* campaign

"With the free market comes trust and responsibility that the product you are providing is going to work. In this case, it doesn't. The business model is based on people not being able to pay it off and become trapped in a cycle of debt. It's devastating for people that are trying to get on their feet."

– House Speaker Jon Husted, a Dayton-area Republican and honorary co-chair of the *Vote Yes on Issue 5* campaign

"Triple-digit interest rates hurt more than unsteady borrowers. They put a strain on entire communities by contributing to home foreclosures and straining social services."

– AARP State Director Jane Taylor

"The payday industry gives free enterprise a bad name."

– Excerpt from 9/2/08 editorial, *The Dayton Daily News*

"The payday lending industry brought on state regulations by failing to regulate itself. Taking advantage of people in real financial need cannot be defended in the marketplace. The Legislature stepped in with a reasonable solution."

– David Zanotti, President and CEO of the American Policy Roundtable and Ohio Roundtable

"For ordinary Ohioans, payday loans at an APR of 391 percent are a passport to debt slavery."

– Excerpt from 8/31/08 editorial, *The Cleveland Plain Dealer*

"Payday lending is both an economic issue and a moral issue. In these challenging economic times, Ohioans don't need to be gouged by these predatory lenders. Protecting vulnerable individuals and families is good public policy and the right thing to do."

– Tom Allio, director, Diocesan Social Action Office, Cleveland

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IS 391% TOO HIGH? VOTE YES ON 5 COMMITTEE

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“Many of the Ohioans we serve are coming to food banks in record numbers because too much of their income is going to pay the huge fees and interest on payday loans. That leaves them with little or no money to purchase groceries.”

– Lisa Hamler-Fuggit, executive director, Ohio Association of Second Harvest Food Banks

“Here’s what the lenders won’t tell you: Payday loans are designed to be easy to get but hard to repay. That’s why so many customers end up taking out one loan to pay back another, eventually paying 300 or 400 percent interest and fees in the long run.”

– Bob Slicker, State Trustee, Ohio Farm Bureau

“Payday lending is not only financially irresponsible, it is a morally irresponsible. The prophetic tradition condemns exploitation and usury. Payday lending is modern-day usury.”

– Bishop Bruce Ough of the West Ohio Conference of the United Methodist Church represents more than 500,000 members and constituents

“The sooner Ohio is rid of these businesses, the better.”

– Zanesville Times Recorder

“With people struggling to pay higher prices for gas and food, the last thing they need is exorbitant lending fees. Banks can operate by charging 28 percent interest on credit cards, so surely payday lenders can make money at 28 percent.”

– E.J. Thomas, CEO for Habitat for Humanity of Greater Columbus and Chairman of Habitat for Humanity of Ohio

“If the referendum is approved for the ballot, voters need to understand that a yes vote upholds the 28 percent interest-rate cap on payday loans and no vote allows the interest rate to remain at 391 percent.”

– Excerpt from 8/18/08, The Columbus Dispatch

“The lenders are fighting to unravel reforms approved by the Republican-run legislatures, and Gov. Ted Strickland, a Democrat.”

– Excerpt from 8/18/08 editorial, The Toledo Blade

‘The survival of payday loan operators depends on establishing and maintaining a substantial repeat customer base.’

Ernst & Young Analysis of Payday Lending Business Model

“If you don’t have customers always re-borrowing, you’re not going to make much money.”

– Tom Dudte, owner of an Ameribucks payday lending shop in Columbus

“And the theory in the business is you’ve got to get that customer in, work to turn him into a repetitive customer, long-term customer, because that’s really where the profitability is.”

– Dan Feehan, CEO of Cash America at Jefferies Financial Services Conference, 6/20/07