



What is Issue 5 about?

Issue 5 is a referendum backed by the payday-lending industry. It seeks to overturn the rate cap portion of House Bill 545, the payday lending reform law signed by Governor Strickland in June. Among other reforms, House Bill 545 reduces interest rates payday lenders can charge from 391 percent annual interest to 28 percent.

A **majority NO** vote on Issue 5 would allow payday lenders to continue charging a 391 percent annual interest rate. The fee for a \$300, two-week loan would be \$45.

A **majority YES** vote on Issue 5 would reduce interest rate charges to 28 percent. The fee for a \$300, two-week loan would be \$18.

Consumer protection advocates say the high-interest and short repayment business model traps borrowers in a debt cycle, requiring them to take out new loans to pay off old ones. They support a YES vote on Issue 5.

‘NO’ VOTE: 391 percent annualized interest on payday loans

‘YES’ VOTE: 28 percent annualized interest on payday loans

Vote YES on Issue 5.

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IS 391% TOO HIGH? VOTE YES ON 5 COMMITTEE

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