

Explanation and Argument in Support of Issue 5

Vote YES on Issue 5 to cap the interest on payday loans.

Is 391% interest too high? **YES.**

A YES vote caps the annual interest on a payday loan at 28 %. Payday lenders don't like the interest rate cap. They want to charge 391% APR on a typical two-week loan. That's why the national payday lending lobby spent millions on misleading TV ads and petition circulators to get Issue 5 on the ballot.

Here's what a **YES** vote on Issue 5 does:

- Keeps the 28% interest rate cap.
- Forbids lenders from charging 391% APR on a typical two-week loan.
- Helps break the cycle of debt. Payday lenders prosper by trapping vulnerable Ohioans into a cycle of repeat borrowing. Their neon signs offer the false hope of a quick fix but instead borrowers typically end up with 12 or more loans each year.
- Gives borrowers more time to pay back loans and helps create more affordable small loans.

Here's what a YES vote does NOT do:

- It **does not** take a good credit choice away from borrowers. Payday loans with 391% APR are defective products that trap borrowers, and the government has an obligation to keep defective products off the market.
- It **does not** mean an end to 6,000 jobs. Most of Ohio's payday lenders already have applied for new state licenses to offer other types of loans in Ohio, which suggests they plan to remain in Ohio.

Reckless lending hurts more than unsteady borrowers. It puts a strain on our charities, increases demand for social services and undermines families and communities.

Ohio has one of the best payday lending reform laws on the books!

Please Vote Yes on Issue 5 and Keep Ohio's Payday Lending Reforms.

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