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## **Eighty-seven Michigan Organizations Sign Letter Opposing Payday Lending Bills**

*Legislation in the Michigan Senate would allow lenders to make two-year loans up to \$2,500 and collect \$8,344 after fees*

Lansing, MI — Eighty-seven Michigan organizations — including nonprofits, churches, cities and unions — signed a letter to Michigan Senators opposing SB 430-432. The bills will expand payday lending products by allowing lenders to offer loans with fees equivalent to triple-digit interest rates and give lenders access to the borrower's bank account.

The bills will allow loans to be made up to \$2,500 with terms up to two years and fees equaling an annual interest rate of up to 180%. For a \$1,500 loan due in 12 months, payday lenders will collect \$3,209. For a \$2,500 loan due in 24 months, payday lenders will collect \$8,344.

"It is absurd to give payday lenders another avenue to prey on Michigan families," said Jamie Schriener, Executive Director of the Community Economic Development Association of Michigan (CEDAM). "Michigan lawmakers should be going in the opposite direction and taking steps to reform payday lending, as 15 other states and D.C. have done by capping the interest rate at 36% or less. Michigan's working families need more protection, not more predation."

Signees in opposition include: Habitat for Humanity of Michigan Inc., Michigan Poverty Law Program, Michigan Credit Union League, City of Lansing, Metro Detroit AFL-CIO, Inner City Christian Federation, Greater Mt. Tabor Missionary Baptist Church and 80 others.

"This legislation is not necessary," said Sandy Pearson, President and CEO of Habitat for Humanity of Michigan. "Payday lenders in Michigan have experienced record profits at the expense of Michigan residents. They drain more than \$103 million in fees each year and trap Michiganders in a cycle of debt. Seventy percent of the state's borrowers reborrow on the same day a previous loan is repaid."

The sign-on letter and list of organizations in opposition to SB 430-432 is available [here](#).

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