



Center for Civil Justice Opposes HB 5097 – Payday Lending

House Regulatory Reform Committee Meeting October 15, 2019

Dear Chairperson Webber and Members of the Regulatory Reform Committee:

We are writing today in opposition to HB 5097 which expands payday lending in Michigan, allowing payday lenders to enter into small loan transactions up to \$2,500.

The Center for Civil Justice (CCJ) is a law firm that advocates for low-income people in Michigan to ensure greater access to basic needs and services, particularly related to food and nutrition, healthcare, housing and monetary support to improve economic stability and self-sufficiency.

CCJ opposes payday lending overall because it takes advantage of low-income people and disproportionately targets communities of color. In Flint, there are more payday lending stores than McDonalds and Starbucks combined. In Michigan, there are higher concentrations of payday stores in neighborhoods that have a greater percentage of African-Americans and Latinos. Widespread racial, geographic and economic discrimination forces many of our communities to risk financial futures on predatory products and services. HB 5097 does not contain any requirements on payment towards the principal balance with each installment payment allowing low-income people to be stuck in the cycle of debt.

In closing, we urge you to oppose HB 5097. Please do not hesitate to contact me with any questions or concerns. Thank you for your consideration of our views.

Sincerely,

CENTER FOR CIVIL JUSTICE

Kelly L. Bidelman
Executive Director

**Service providers are invited to contact CCJ regarding
recurring obstacles to serving low-income communities.**

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