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**Sondra Gordon**

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**From:** Nicole Sadler <nsadler@pjcash.net>  
**Sent:** Monday, September 16, 2019 1:38 PM  
**To:** Sondra Gordon  
**Subject:** regarding House Bill 4251

Dear Clerk Gordon-

I am writing to you in hopes you will take another glance and approach at understanding the importance of payday lending/deferred presentment service transactions.

From an outside perspective, one that has never had to live paycheck to paycheck, payday loans seem like an outrageous and unthinkable means to such a simple end. Why would someone need to borrow money? Why can't they just go to their bank, or a family/friend, or use their credit cards?--- wait using credit cards is borrowing money, but having the opportunity to pay it back over a much longer period of time... hmmm...

Before working in this industry I couldn't wrap my mind around why anyone would be willing to pay \$76 to borrow \$600 from anywhere to 14-31 days depending on their pay-cycle. How would they ever get out of this so called "trap" let alone get ahead financially? Well, I've been working in the payday lending industry for 18 years. During this time my eyes have been opened to the realities that I never would have realized existed. Our clients come to us as a way for them to gain financial control and responsibility. We provide a place that doesn't judge like borrowing from friends or family. We provide an opportunity and a method for our clients to learn to make better financial choices and to start paying down debt while still being able to experience the extras (allowing their child to sign up for the soccer team, to buy books from the Scholastic book order that comes home, or maybe to just go out to dinner that week). All of our clients have jobs and receive steady income. Unfortunately, a majority of our clients have faced many hardships that are difficult to overcome when the everyday living expenses just continue to grow. These hardships include surgeries, cancer treatments, caring for extended family on top of now having to pay their own medical insurance, recovering from the recession back in 2009... etc.

Our customers take pride in their abilities to keep their jobs amidst their obstacles. They set goals for themselves to gradually lower their borrowing limits while paying down and in many cases eliminating some of their debt. They enjoy coming in and having a place to share their financial frustration while getting some temporary relief. Short-term lending is what helps them reach their goals. It may not be a goal that you share, but then again, you aren't in their situation. People grow and learn to make better decisions when they are given the opportunity to do so. If you take this opportunity away from them, you will most likely see more government dependence, more bankruptcy, and more despair.

The payday lending industry has proven that the need for our industry exists as the business continues to grow within the many regulations that the State is continually trying to impose. This industry will not survive on your proposed 36% limit; especially if changes are not made with how we can collect on defaulted loans. There is approximately \$10k-\$20k in defaulted loans per month, with only 30% of that collectable. How can a business survive with those numbers?

I realize that your goal is to eliminate this industry. Eliminating the industry that provides a means to an end doesn't eliminate the need. In fact, eliminating the industry will create more of a need. What do you think will happen to all of us employed in the industry? How will we pay our bills? A majority of the staff employed in a payday lending store are single moms and/or students juggling work and school commitments. How many tax dollars would be lost from payroll, landlords not getting rent, or utilities not being paid? Our payroll is over 1/2 million a year; tax dollars coming into the State, not money going out as would happen with unemployment that would ensue with the elimination of the industry.

The payday lending industry has taken many unnecessary hits and regulations over the years. Not only are we not allowed to raise our rates but we cannot even offer larger loans to those that could afford it. Now, you want to limit the amount we make while at the same time imposing on us to invasively dig into a client's personal information to determine whether they can pay back the small loan. Why are we subjected to such strict scrutiny when the gambling industry, including the State Lottery, doesn't have to find evidence that the customer can afford to play?

We've proven that we aren't predatory. We've proven a need for our existence both in the sense of consumer need and as an employer who provides decent employment opportunities. If your goal is to fix financial struggles then you should look at educating younger generations about financial responsibility: how to save for a small dream to saving for the allusive retirement. Destroying an industry, a lifeline for some, will not eliminate the need. Your proposed mandates will kill the payday lending industry. I strongly believe a better solution can be found that will accommodate your need to govern and restrict those individuals you believe are incapable of achieving financial independence without eliminating an industry that is willing to take the risk that individuals can learn to solve their own financial hardships. Government assistance enables people to stay where they are; it doesn't foster a sense of pride or responsibility as learning to pay down a debt does.

Thank-you for taking the time to hear my plea against the proposed changes in House Bill 4251,

Nicole Sadler

Payday lending employee