

FLORIDA CONFERENCE OF CATHOLIC BISHOPS

201 WEST PARK AVENUE
TALLAHASSEE, FL 32301-7715

PHONE (850) 205-6820
FAX (850) 205-6849
WWW.FLACCB.ORG

MICHAEL B. SHEEDY
EXECUTIVE DIRECTOR



February 11, 2016

The Honorable Bill Posey
120 Cannon House Office Building
Washington, DC 20515

Re: Predatory Lending a Problem in Florida

Dear Congressman Posey:

As a member of a House Financial Services Committee holding a hearing this afternoon regarding payday lending, we offer the following for your consideration:

Current payday lending practices in Florida

While Florida currently bans payday loan rollovers, requires a 24-hour cooling-off period between loans, and limits consumers to only borrow one payday loan at one time, Florida's payday lenders continue to allowably charge 20 times Florida's criminal usury rate of 18%. Additionally, the majority of Florida's payday loan consumers are caught in a cycle of debt, borrowing multiple loans per year in order to meet their monthly expenses after repaying a previous loan. We support state legislation that would create a rate cap for payday loans, setting the annual percentage rate at 30%.

Payday lending preys on our most socially and economically vulnerable

Payday lending preys on the financial hardship of vulnerable consumers, exploits their lack of understanding, and increases economic insecurity. The working poor deserve loan options they can repay in a timely manner and that advance their long-term financial security, rather than consign them to a cycle of debt.

Economic choices and institutions must be judged by how they protect or undermine the life and dignity of the human person, support the family, and serve the common good. In addressing the National Council of Anti-Usury Foundations in 2014, Pope Francis referred to usury as a dramatic social ill and stated, "When a family has nothing to eat, because it has to make payments to usurers, this is not Christian, it is not human! This dramatic scourge in our society harms the inviolable dignity of the human person".

Consider a case from Brevard County

A Brevard County Legal Aid Staff Attorney, Sarah Eli Mattern, shared the following with us:

A client came to me because Habitat for Humanity is foreclosing on her home. She's borrowing money from payday lenders to get through the week -- she's not living paycheck to paycheck because there isn't a paycheck left by the time she gets one. She lives with her two sons, her daughter, and her nephew. Her daughter is working at Wendy's to save for a high school graduation ring. The woman broke down crying in my

office when I told her that the money her daughter is earning needs to be used to get out of debt. I advised client that she also needs to ask her 15 year old son to get a job as well. Then, she and I went into detail about the heirloom jewelry she may be able to sell to bring herself current on her payday loans. If she can scrimp enough to get out of the payday death spiral, than she and I may be able to work out something with Habitat for Humanity. If not, she and the children she cares for are going to be homeless.

We encourage you to act within your authority to protect consumers with compassion and a commitment to the common good.

Sincerely in Christ,



Michael B. Sheedy

cc: Bishop John Noonan, Diocese of Orlando
Archbishop Thomas Wenski, Archbishop of Miami, President of Florida Conference of Catholic Bishops, and Chairman of USCCB Committee on Domestic Justice and Human Development