POLICY IDEAS

JANUARY 2018

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Oklahoma Policy Institute

# 2018 Policy Priority: Stop the Expansion of Predatory Lending

## Background


In Oklahoma, high-interest payday loans are advertised as a way for people who may not have access to traditional forms of credit to get needed emergency funds. In reality, these loans are a form of predatory lending with exorbitant fees and extremely high interest rates that keep borrowers in a cycle of debt that can be nearly impossible to break.

Last year, the payday loan industry attempted to expand their predatory practices with HB 1913, a bill that would have allowed a new high-cost loan product called installment loans. These new installment loans would have allowed borrowers to take out loans of up to $1,500 for up to 12 months, with an annual percentage rate (APR) of 204 percent. Thankfully Governor Fallin stepped in to veto this harmful bill, but it's expected that the industry will try again this year to push through new and harmful high-cost loan products in Oklahoma.

## The Solution

The answer to the harms of predatory lending is not more loan products with exorbitant interest rates and longer cycles of debt. We must fight any attempts to introduce new high-cost loan products in Oklahoma or expand existing products. Oklahomans already use payday loans at a higher rate than residents of any other state.

## What You Can Do

Please contact your state Representative and Senator and urge them to reject any legislation that would expand or create new predatory loan products such as "flex loans" or "installment loans."

You can look up your Senator and Representative at http://okpolicy.org/find-your-legislator/, call the House switchboard at 405-521-2711, and call the Senate switchboard at 405-524-0126.

To receive SMS advocacy alerts on important economic security issues, text OKECON to 51555.

**OK Policy is a non-profit organization that provides information, analysis and ideas on state policy issues.**
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