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*Indiana Black Expo, Inc.*

**STATEMENT OF TANYA BELL, IBE PRESIDENT & CEO  
ON SENATE BILL 613, THE PAY DAY LOAN BILL**

**“SB613 is Disastrous for Working Class Hoosiers”**

While our state aims for the “Next Level” to enhance our workforce under Governor Eric Holcomb’s leadership, Senate Bill 613 contradicts this goal by allowing payday and other lenders unbridled opportunity to prey on our poor to get rich. At a time when we struggle to overcome poverty and low-wage jobs in our state while also confronting insufficient safety nets for Hoosier families, our Senate recently passed SB613, a policy that would expose too many of our working class families to significant debt while further exacerbating wealth inequality in Indiana. The reality is that too many hard working and underemployed families live from pay check to pay check while bills mount. After exhausting their options, they too often fall prey to the lure of payday lenders offering a quick fix to their financial difficulties. In reality, these loans have a debt sinkhole that drives families further into distress.

SB613 is disastrous for working class Hoosiers because it allows for even larger, longer-term loans at triple digit APRs. Specifically, SB613 changes the classification of criminal loan sharking in Indiana (loans are capped at 72% interest rate) by allowing two new loan types: a pay day loan in the range of \$605 - \$1500 for six to 12 months with annual percentage rates as high as 192 percent; and installment loans of up to \$4,000 with high rates, fees, and insurance products that could be conditioned on access to a borrower’s car title. The bill will also substantially increase the cost of subprime auto lending, a market where consumers are already experiencing distress with the rates we currently allow. [Click here](#) for the National Consumer Law Center’s Policy Brief: Bill Analysis of Indiana SB 613: Consumer Credit.

According to the Consumer Financial Protection Bureau (“CFPB”), a federal consumer watchdog, 80% of payday loans are rolled over within a month where borrowers borrow more money to pay off the principal, circling deeper into debt. For every five borrowers who offer their cars as collateral, one loses the vehicle. There is no surprise that these lenders target the vulnerable by congregating in poor and minority communities.

According to Governor Eric Holcomb in his State of the State Address delivered less than two months ago, “Hoosiers across Indiana and beyond are leading our state into the future – The Indiana Way – growing globally and finding creative ways to make lives better, and in the process, taking Indiana to the next level.” SB613 is not aligned with Governor Holcomb’s vision for our state or our core value to reduce inequality of opportunity. Rather, SB613 will only hamper our growth and limit our ability to address the underlying challenges of inequality, thereby causing our state to take ten steps backwards.

If you are interested in joining Indiana Black Expo in opposition of SB613, please join us at a press conference on Monday, March 11, 2019 at 11:00 AM on the 3rd floor North Atrium at the Indiana State House. I will speak out against this bill and stand with a large coalition of more than 60 advocates in opposition of SB613.