

Neutral Testimony for HB 2105

Jan 30

Financial Institutions and Pensions Committee

Good morning. My name is Steve Schifflbein. And I am here on behalf of a broad, bi-partisan coalition called Kansans for Payday Loan Reform. A few key members include Topeka JUMP, KIFA, the Kansas Catholic Conference, and AFL-CIO. The main objective of the coalition is to win legislation that will put more protections in place for borrowers who choose to use payday loans in Kansas.

We are here today to provide neutral testimony for HB 2105.

The coalition was pleased to hear that this committee is taking up matters related to small dollar loans. We only learned about this bill last week so we have not had a chance to adequately review the bill, which is why we are not providing a more definitive testimony as proponents. But we thought it would be important to be here today and to communicate that this is a very important matter. Thank you to those of you who have done the work on this bill. As our coalition is learning more about the legislation, there are a few questions that we hope members of the committee will consider.

What borrowers is this bill most likely to impact?

We should be careful to ensure that the steps taken to minimize predatory lending in the state of Kansas include the most vulnerable like our veterans, people with disabilities, and seniors. Many of the folks that fall into those categories do not have employers that are going to be able to provide a safe small dollar option like the ones mentioned in this legislation.

Another question to consider: whether this bill passes or not, is it OK for payday loan companies to still be allowed to do harm by charging exorbitant interest. We urge this committee to do the work on these bills, but also to do the work on the actual payday loan product itself, so that we can create a healthier economy for Kansans.

There are not enough consumer protections on payday loans, and we hope to talk about this more in this committee in the future. Thank you again for the work that you're doing on this bill to create opportunities for people who need help.

Thank you.