

**2016 LWVAL EMERGENCY STUDY OF
PAYDAY LENDING PRACTICES IN ALABAMA
CONSENSUS FORM FOR MEMBER USE**

The purpose of this Payday Lending study is to determine whether the LWVAL should take a position on payday lending practices in Alabama in general, and whether the LWVAL should take a position on various features of payday loans. Please remember that the scope of this study is restricted to so-called payday lending storefront operations; this study does not consider “title loan” or online lending.

Please indicate whether you agree or disagree with each statement by circling the response that best fits your views. Then, take it with you to the consensus discussion held by your local League and use it as guide.

Payday loan stores fill an important need, especially in low income communities.	Agree	Disagree	Not sure
Lower income borrowers rely on payday loans because they have no other source of assistance available to them.	Agree	Disagree	Not sure
Higher payday loan rates reflect the high risk associated with offering such loans.	Agree	Disagree	Not sure
Defaults on payday loans are primarily the result of the high interest rates charged.	Agree	Disagree	Not sure
Default rates on payday loans are the result of the additional fees charged for carrying a loan over for another period.	Agree	Disagree	Not sure
Default rates on payday loans are the result of a poor economy.	Agree	Disagree	Not sure
Requiring borrowers to give the payday loan store a postdated check (or bank account withdrawal authority) for the loan repayment is a major cause of loan defaults.	Agree	Disagree	Not sure
The existence of payday lending stores adds money to the Alabama economy.	Agree	Disagree	Not sure
Payday lending stores increase employment in Alabama.	Agree	Disagree	Not sure

Do you believe the Alabama Legislature should change the current law(s) regulating payday loan stores in this state?
(Circle one) Yes No Not sure

If the LWVAL does not come to a consensus regarding whether to change current laws, we can still take a position on specific features that we feel should be included (or not included), if such legislation is introduced in the legislature.

If the legislature were to place limits on payday lending stores, indicate whether you would support each of the following.

Capping interest rates at a set amount	Yes	No	Not Sure
If you favor an interest cap, please indicate which level (if any) you support.	Favor:	%	Not Sure
Limiting rollover fee amounts	Yes	No	Not Sure
Consumer education programs related to finance	Yes	No	Not Sure
Incentives for small loan lending by banks and credit unions	Yes	No	Not Sure
Eliminating the payday store requirement that borrowers give them a postdated check (or automatic bank account transfer authority) at the time a loan is taken out	Yes	No	Not Sure
Extending the time for repayment of the loan before a new fee is applied	Yes	No	Not Sure
Requiring a multi-payment plan replace the one-time payment requirement now in place	Yes	No	Not Sure
Requiring giving the consumer a choice between a one-time payment plan and a multi-payment plan	Yes	No	Not Sure
Requiring clearly and simply written loan agreements	Yes	No	Not Sure

Please write any additional comments on the back.