

Vote NO on HB 1913

- **Oklahomans are already drowning in a sea of debt** – in 2014, Oklahomans took out nearly 950,000 payday loans and over 1.2 million “B” loans. That’s 77 consumer loan for every 100 adult Oklahomans. Our residents are already deeply in debt, and adding a new higher-cost product to the marketplace will only put more Oklahomans at financial risk.
- **HB 1913 substantially increases the cost of credit for many Oklahomans** – Oklahoma already provides for loans of up to \$1,500 at substantially lower cost. This bill would allow lenders to charge interest more than 4 times higher for an installment loan than what is allowed under current Oklahoma law. Under current law, lenders can charge up to \$450 in fees for a loan of \$1500. Under HB 1913, that same loan would come with interest charges of up to \$2,108 – more than four times as much.

| Loan Amount | Current “B” Loan Fees | HB 1913 Loan Interest |
|-------------|-----------------------|-----------------------|
| \$750 | \$345 | \$1,054 |
| \$1,000 | \$400 | \$1,405 |
| \$1,500 | \$450 | \$2,108 |

Fees/Interest on a 12-month loan

- **HB 1913 will push people into public assistance** – this bill would not require lenders to verify the borrower’s ability to repay the loan, so it’s likely that loans will be made to individuals who cannot afford the monthly payments. When the borrower can’t repay the loan, the lender offers a second loan to pay down the first loan. Borrowers are then trapped in a cycle of new loans to pay old loans, and when they can’t keep up and they face financial collapse, they seek out public assistance to make ends meet while they recover. This increases the cost of the safety net programs that we all pay for.
- **HB 1913 only benefits the high-interest lenders who are pushing it** –HB 1913 effectively subsidizes the predatory loan industry by allowing them to use the courts to collect on loan debt. This bill supports the industry at the expense of Oklahomans. Many organizations strongly oppose this bill, including: AARP, Catholic Charities, Oklahoma Women’s Coalition, Oklahoma Conference of Churches, and Oklahoma Policy Institute.

“HB 1913 seeks to compel government courts to help the private payday lending industry collect its debts. HB 1913 doesn’t merely require Oklahoma to allow excessive consumer debt. HB 1913 actually requires the state of Oklahoma to subsidize excessive consumer debt through its court system...Alternative sources of credit for the poor already exist, such as middle-interest signature loans, and pawn loans... We don’t need HB 1913 to provide credit for the poor, or to reduce the impact of payday lending. HB 1913 simply adds to existing payday lending schemes.”

- Rep. Kevin Calvey (R-Oklahoma City)