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## **Policy Matters Ohio submits testimony against Installment Loans in Senate Bill 355**

Kalitha Williams argues bill exposes Ohio consumers to risky installment loans

Senate Bill 355, the Enact Consumer Installment Loan Act, opens the door to dangerous installment loans -- the latest iteration of payday lending, according to testimony submitted by Kalitha Williams, policy liaison at Policy Matters Ohio, to the Senate Financial Institutions Committee.

"These loans have been designed to appear less harmful, but they are exploitative to financially vulnerable families," Williams said. "Installment loans have longer loan periods -- many stretching longer than a month, larger loan amounts ranging from a few hundred dollars to several thousand dollars, and many still have high interest rates."

According to National Consumer Law Center, installment lending, like payday lending, tends to repeat lending. Constant loan refinancing is a sure sign that loans are unaffordable. Installment loans can keep Ohio families in a cycle of debt.

The bill would remove provisions that protect Ohioans from abusive debt collection practices. Instead it would allow lenders to drastically increase fees for consumer credit. If passed, the bill represents a victory for the Wall Street hedge fund Fortress Investment Group, which has been investigated by the New York Times for its efforts to influence state policy makers.

"We ask that you protect Ohio consumers and oppose Senate Bill 355," Williams said. "Passing this legislation will hurt the financial stability of Ohio's working families."

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