



Tale of the Tape: Payday Lenders Lying?

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By **Mark Rollenhagen**

COLUMBUS -- Is the payday lending industry lying to voters about what a proposed statewide ballot issue will do in order to entice people into signing its petitions?

Opponents of the proposed ballot issue -- which would repeal a recent law passed capping payday loan interest rates at 28 percent -- on Tuesday accused signature-gatherers employed by the industry of lying about the proposed issue.

Click below to hear the tape of a man in Columbus man gathering signatures on payday lending petitions but misrepresenting what the ballot issue would do if placed on the November election and approved by Ohio voters.

Or click here.

Bolstering their claims of fraud is an audio tape that was secretly recorded by an opponent of the payday lending industry at a signature-gathering spot in downtown Columbus last week.

On the tape, an unidentified man acting as a signature-gatherer for payday lenders misrepresents what the ballot issue would do, repeatedly telling the person that payday lenders would only be able to charge up to five percent interest on loans, if the ballot issue passed this November.

"This is going to regulate it to a five percent rate, give the people 30 days to pay it back instead of the seven to 14 days," the man says on the tape.

In reality, the ballot issue would restore an exemption for payday lenders that allowed them to charge up to 391 annual percentage rate for the short-term, high-interest loans. That works out to \$15 per \$100 on a two-week loan.

Signature gatherers employed by payday lenders have fanned out across the state in recent months seeking to harvest the 241,365 signatures needed by Sept. 1 to get the issue on the ballot.

A spokeswoman for the payday lenders group, Ohioans For Financial Freedom, said hundreds of petition circulators are working statewide and all are trained as to what they can or cannot say. Kim Norris said the group would investigate and take swift action if the worker caught on tape is identified. "If anyone has evidence they should make it available as soon as possible," Norris said. "Vague allegations of election law violations serve only to undermine the entire electoral process."

The opposition:

Opponents of the proposed ballot issue have a Web site: **end391.org** with information about the ballot effort and several videos, including this one, which spoofs the payday lending industry.

In this video, the payday loan officer offers to make an "lotto advance loan" to folks who don't have a job, but who think they will win the lottery.

Live website here: http://blog.cleveland.com/openers/2008/08/tale_of_the_tape_payday_lender.html