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Arizona Coalition Files Measure to End Predatory Car Title Lending

(Phoenix) – **May 15, 2019**, Arizonans for Fair Lending, a coalition of individuals and organizations from across our state, has filed paperwork with the Secretary of State’s office as the first step to qualify a ballot measure for the November 2020 election. The measure, called the Arizona Fair Lending Act, would protect Arizonans from predatory, triple-digit rate car title loans which trap borrowers in a cycle of debt by reducing the rates of these loans from as much as 204% APR to 36% APR or lower.

“Car title loan companies routinely charge families predatory interest rates, which quickly escalate to over 200% interest,” said **Cymone Bolding, chairperson of Arizonans for Fair Lending**. “This catches folks in a debt trap from which they can’t escape—even after they’ve repaid more money than they borrowed in the first place. Our coalition is focused on establishing fairness for families by ending the irresponsible practices of the predatory lending industry once and for all.”

"Several years ago, I took out a car title loan, thinking it would help my family with a financial crisis," said **Knoye Jackson of South Phoenix**. "Instead, it made our crisis worse. I am joining this effort because car title lenders prey on our most vulnerable communities in their time of need, and trap families like mine in an unending cycle of debt."

Arizonans voted to put a stop to predatory payday lending in 2008, but many of those same lenders found a loophole--car title loans--to take advantage of vulnerable families. The unfortunate reality is that Arizona borrowers still face triple-digit interest rates and get trapped in a vicious cycle of debt, some even facing vehicle repossession.

“Triple-digit rates strip millions of dollars annually from the pockets of people across the state,” said **Kelly Griffith, Southwest Center for Economic Integrity**, “In fact, The Center for Responsible Lending estimates that Arizona borrowers annually pay over \$250 million for title

loans.¹ This is a significant drain on Arizona’s economy, diverting dollars to out-of state companies that otherwise would be spent in the local economy on everyday necessities.”

A diverse coalition of faith and consumer protection groups who have been working for years to end predatory lending once and for all have now decided to take the issue directly to voters. The overwhelming success of anti-predatory lending ballot measures in Arizona and other states reflects the simple notion that regardless of background, color, creed or party, voters recognize that this industry should not be allowed to target those most vulnerable simply to turn a profit.

"Usury is always wrong," said **Stephany Brown, President, Society of St. Vincent de Paul, Tucson**. "The Society assists the most vulnerable Arizonans. We regularly see the human suffering caused by predatory loans. As Pope Francis reminds us, usury 'humiliates and kills.' I am excited to be part of this effort to finally put an end to predatory lending in Arizona."

The policy is being proposed by a growing coalition of individuals and consumer groups, community groups, veterans and civil rights groups, including:

- Southwest Center for Economic Integrity, Tucson
- SURGE Network, Peoria
- Living United for Change in Arizona, Phoenix
- Our Voice, Our Vote, Arizona (Statewide)
- Center for Responsible Lending

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¹ ["Payday and Car Title Lenders Drain \\$8 Billion in Fees Every Year,"](http://www.responsiblelending.org) April 2017 at www.responsiblelending.org

