



LEAGUE OF WOMEN VOTERS OF TEXAS

TESTIMONY LEAGUE OF WOMEN VOTERS OF TEXAS House Investments and Financial Services Committee

Tuesday, April 25, 2017

I am Carol Todzia, testifying as a member and on behalf of the League of Women Voters of Texas IN SUPPORT of House Bill 1134. We appreciate the opportunity to appear before you today. Thank you for allowing us to share the League of Women Voters of Texas position on this bill.

Our position on payday and auto-title lending, like other League positions, is derived through a lengthy and thoughtful process involving the participation of 25 local Leagues representing more than 5,000 members and supporters throughout the state of Texas.

One of the most powerful statistics we learned from our research was the economic impact of these loans on our state. The Texas Office of Consumer Credit Commissioner reported that in 2014 payday and title loan businesses in Texas extended \$1.6 billion in consumer credit for new loans and collected \$1.5 billion in fees and interest for new and refinanced loans. We estimate that the fees and interest that were collected added an estimated \$2.5 billion in value to the Texas economy directly through employee compensation, taxes, owner income and profit; indirectly through purchasing done by the businesses; and through induced spending by employees. The economic impact of payday and title loan fees and interest resulted in an estimated gain of 28,643 jobs in Texas in 2014. On the other hand, if payday and title loan consumers had spent or saved the money that was paid in fees and interest, household income and spending would have created \$2.8 billion in private household economic activity, adding an estimated 36,018 jobs. **Thus, the resulting economic impact on the Texas economy in 2014 was an estimated net loss of approximately \$351 million in economic value and 7,375 jobs.**

The League of Women Voters of Texas supports policies, legislation, and programs that enable a small dollar loan market that maintains access to affordable credit while safeguarding consumers. The League believes that a loan is affordable if the borrower can repay the loan and cover basic expenses without borrowing again or obtaining money from another source.

The uniform city ordinance is the best approach to setting parameters so both borrowers and lenders succeed in transactions, by ensuring that borrowers are financially able to repay the loan.

We respectfully request you to vote “Yes” on any legislation, like House Bill 1134, that would expand the city ordinances statewide. Thank you for your time and consideration.

For additional information, please contact: Stephanie Mace, Payday and Auto-Title Loan Issue Chair, stepher_5@yahoo.com and 979-224-0766.



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The League of Women Voters of Texas (LWV-TX) is a nonpartisan citizens' organization that has fought since 1919 to improve our government and engage all citizens in the decisions that impact their lives. It represents more than 5000 members and supporters throughout Texas.

The League of Women Voters never supports or opposes candidates for office or political parties. The member-driven organization of women and men encourages the informed and active participation of citizens in government and seeks to influence public policy through education and advocacy of positions based on extensive issue study and consensus.