

**HB 08-1310 – Pay Day Loan Regulation
with Proposed Senate Amendments
Rep. Mark Ferrandino & Sen. Peter Groff**

Coloradans overwhelmingly support reform of Pay Day Loans. According to a January 22–28 poll of 500 active voters by Talmey-Drake Research & Strategy,

3 out of 4 voters strongly support limits on payday loan interest and fees.

74% in favor

53% strongly in favor

19% against

The support was strong regardless of political affiliation, region, gender, income, education level, ethnicity and age.

83% Democrats

72% Unaffiliated

68% Republican

THE DENVER POST

“Payday lenders’ practices unfair” (February 15)

“Put the squeeze on payday loans” (March 7)

**DAILY
CAMERA**

“Cycles of debt: There ought to be a law” (February 26)

THE DURANGO HERALD
Since 1881

“Payday lending needs curbs” (February 17)

TheTribune
Serving Northern Colorado since 1870

“Regulate payday loans” (March 10)

VOTE YES ON HB 1310

Ruth Aponte 303-907-1980 & Edie Busam 303-523-6236 for the Bell Policy Center
Dan Williams 720-377-0701 & Laura Locke 720-377-0718 for the Center for Policy Entrepreneurship
Carolyn Siegel 303-710-2856 & Nikki Floyd 720-206-6456 for ACORN
Moira Cullen 303-868-8452 for Metro Organizations for People

Key Facts

- According to the Colorado Attorney General's Office:
 - The average annual interest rate on payday loans in Colorado is **353% APR**.
 - The average payday borrower paid **\$544 in fees on a payday loan of \$343**.
 - About 2 out of every 3 payday loans (**65%**) are **refinance-type loans**.
 - **The average Colorado borrower took out nine payday loans** in 2006.
- Reducing the exorbitant fees charged on payday loans will put **\$75 million back into the pockets of hard working Coloradans**.
- In 2007 the **U.S. Department of Defense capped payday loans** made to members of the military and their dependents at 36%APR.
- **Six publicly traded payday lenders controlling 40% of all pay day** locations in Colorado saw their **profits increase by an average of 324%** between 2002-2006.
- As amended, HB 08-1310 reforms payday loans by:
 1. Subjecting all payday loans to the **state's usury cap of 45% APR**
 2. Allowing an **origination fee on all new loans up to a maximum of \$30**
 3. **Defining new loans as those issued 14 days** after a previous loan was paid in full
 4. Extending the **repayment period to at least 30 days**
 5. Permitting **partial payments and early repayments** without charge
 6. Limiting borrowers to **only one outstanding payday loan** at any time
 7. Directing the Legislative Council to report by Nov. 2008 on effective financial education initiatives

ORGANIZATIONS SUPPORTING HB 1310

AARP of Colorado
ACORN
Bell Policy Center
CPE - Center for Policy Entrepreneurship
Colorado Coalition for the Homeless
Colorado Progressive Coalition
Colorado Public Interest Research Group
Colorado Women's Agenda
Colorado Women's Lobby
Front Range Economic Strategy Center

Greater Metro Denver Ministerial Alliance
LARASA
Latina Initiative
Lutheran Advocacy Ministry
Mile High United Way
MOP - Metro Organizations for People
SEIU Local 105
Women's Foundation of Colorado
9 to 5 National Organization of Working Women