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JUSTICE OVERSIGHT

Testimony in Support of SB 218

Good afternoon Chairman Jeff Longbine and Vice-Chairs Michael Fagg and Virgil Peck.

Thank you for allowing me to testify in support of SB 218.

In the past, the Kansas Legislature has tried to address reforms to our payday loan system. We have tried to limit loans up to a certain amount and have instituted consumer protection measures, like offering financial education programs, to our payday lending system. The issue before you today of payday lending was brought to my attention when constituents began calling me when a payday lending company opened a new location in my district. I'd like to thank Ti' Juana Hardwell, who you will hear from today, for asking me to speak at a rally addressing the concerns of my constituents and the new lending company.

This bill will allow Kansans to escape the cycle of debt through the cap on interest rates and fees associated with borrowing. This bill would also allow Kansans to develop a payment plan with the lender over multiple months, not weeks. SB 218 limits loan amounts to \$2,500, which will allow Kansans to borrow money in the short-term but ensure they will not have to rely on lending long-term and avoid entering the cycle of debt. In closing, I understand the necessity of the payday loan system and believe this bill puts in place necessary measures to ensure Kansans are not relying on payday loans to survive.

I urge the committee to hold a hearing and work SB 218 favorably for passage.

Sen. Oletha Faust Goudeau