

# **NO MORE LOAN SHARKS**

A PROJECT OF  
ARIZONANS FOR RESPONSIBLE LENDING

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- **Arizona defiantly rejected triple-digit interest rates on payday loans.** On November 4, 2008, over 1.2 million Arizona voters rejected the payday industry-funded Proposition 200. This landslide victory came with a huge plurality of more than 330,000 votes and a 60 percent majority. Despite being outspent by a margin of 64 to 1, Proposition 200 lost because voters understood that 400 percent interest rates were wrong. Period.
- **Businesses and community-based organizations stood together with the people and endorsed a NO vote on Proposition 200:** Arizona AARP, Greater Phoenix Chamber of Commerce, Arizona Ecumenical Council, Chandler Chamber of Commerce, Valley of the Sun United Way, Coalition of Religious Communities, Children's Action Alliance, Arizona Consumers' Council, Catholic Community Services of Southern Arizona, the Jewish Council for Public Affairs, Desert Mission Neighborhood Renewal, Little Chapel of All Nations, Southern Arizona Leadership Council, WESTMARC, PAFCO and many, many others.
- **These 400%-interest loans are structured to trap borrowers into long-term debt,** instead of the advertised two-week loan. Almost all -- 90 percent -- of payday loan transactions are by trapped, repeat borrowers. After multiple loan renewals, the average borrower pays back nearly \$800 on a \$300 loan. The industry needs this debt trap for their economic prosperity – to the detriment of consumers.
- **In 2006 and with bipartisan support, Congress protected military families by outlawing payday loans with more than 36 percent interest.** If it's not OK for payday lenders to prey on the military, why is it OK for them to target senior citizens, police officers, fire fighters, teachers and nurses?
- **15 states and the District of Columbia have ended predatory payday loans at triple-digit interest rates by enforcing interest caps of 36 percent or less.**

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