



WISCONSIN CATHOLIC CONFERENCE

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LATEST PAYDAY LENDING PROPOSAL A STEP FORWARD

The Wisconsin Catholic Conference endorsed a compromise measure to impose new regulations on the payday lending industry in Wisconsin. WCC Executive Director John Huebscher called the proposal unveiled today a “helpful step forward” that provides badly needed accountability for the industry.

Catholic Charities agencies across Wisconsin have been among those advocating for regulation of the industry based on the experience of family financial counseling program staff. Two diocesan agency representatives testified in support of strong regulations at legislative hearings on the topic.

Earlier this year, the WCC had urged lawmakers to enact legislation that limits the amount and frequency of payday loans, as well as the number of times a loan can be “rolled over.” The WCC also urged that any bill give the Department of Financial Institutions the authority to fully enforce these limits.

“These elements are part of the compromise proposal,” Huebscher observed.

He noted that the new measure was not as stringent as an earlier proposal to place a cap on interest rates charged to borrowers, but it does contain a number of useful regulations that provide more accountability for lenders and some protections for consumers.

“No bill is perfect, but a bill can make things better,” he said. “This latest proposal establishes a useful foundation that can pave the way for additional reforms, if needed.”

“Catholic teaching calls on us to embrace a preferential option for the poor and vulnerable in our society.” Huebscher concluded, “Low-income persons and those in vulnerable situations are most susceptible to the dangers of payday lending and we need to regulate the industry for their sake and that of the common good.”

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