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30 Groups Urge Assembly to Remove, Gov. Walker to Veto Payday Lender Grab-Bag in State Budget

*Sweeping Anti-Consumer Provisions Would Allow Predatory Lenders to Sell Annuities,
Insurance, Tax Services; Operate in Liquor Stores and Casinos*

MADISON - A [coalition of 30 faith groups, low-income advocates and public interest lawyers and organizations](#) is urging the Assembly to remove and, in the case of the chamber's inaction, Governor Walker to veto a set of sweeping budget provisions that would significantly expand the power of predatory payday lenders in Wisconsin. The final decision on the anti-consumer provisions will likely fall to the Governor, who is looking to sign the final budget document before announcing his run for President on Monday.

"Payday loans are debt traps by design," said Peter Skopec, WISPIRG Director. "Giving predatory lenders even more leeway to exploit Wisconsinites through a broad range of questionable financial products is the last thing we should do. These special interest provisions shouldn't be part of Governor Walker's legacy as he steps into the national spotlight."

The budget provisions in question would give payday lenders the power to sell an unprecedented range of complex financial products, such as insurance, annuities and tax preparation services, to Wisconsin consumers. The provisions would also allow abusive high-interest lenders to exploit particularly susceptible individuals by operating within casinos and liquor stores, or by directly operating such establishments themselves.

"Every budget should be about allocating sufficient resources to help the needy lead healthy and dignified lives, not about legalizing predatory practices that further exploit them," said John Huebscher, executive director of the Wisconsin Catholic Conference.

Predatory lending practices have devastating results for individuals, families and communities across Wisconsin. According to the Center for Responsible Lending, payday loan fees cost Wisconsinites over \$22 million a year, and drain the state's economy of over \$5 million annually due to lost economic activity. Additionally, payday loans increase the likelihood of other financial harms such as increased overdraft fees, delinquency on other bills, bank account closures, and even bankruptcy. Payday loans carrying interest at an annual percentage rate (APR) of 500 to 1,000 percent are not uncommon.

"If passed, these provisions will not only sharply degrade Wisconsin's reputation for consumer protection but also push more working families to the economic margins," said Sarah Orr, Director of the Consumer Law Litigation Clinic at UW Law School. "Wisconsin already has enough payday lenders as it is."

After failing in past legislative sessions to enact laws that would water down Wisconsin consumer protections, predatory lenders have in recent years attempted to win back-door changes through the budget process. The provisions were introduced into the 2015-17 biennial budget via Motion 999 late last Thursday night through a last-minute, secretive and entirely opaque process, prompting condemnation from advocates and legislators.

The coalition sent two [letters](#) to the full Assembly and to the Governor's Office today, urging the chamber to remove and, in the case of inaction, Governor Walker to veto the anti-consumer payday provisions in their entirety. The letter was signed by WISDOM, Milwaukee Inner City Congregations Allied for Hope (MICAH), Madison-area Urban Ministry, Wisconsin Council of Churches, Wisconsin Catholic Conference, Catholic Charities of the Milwaukee Archdiocese, Catholic Charities of the Diocese of Green Bay, Catholic Charities of the Diocese of Madison, Diocese of Superior Catholic Charities Bureau, Society of St. Vincent de Paul Archdiocesan Council of Waukesha County, Society of St. Vincent de Paul Diocesan Council of Madison, Society of St. Vincent de Paul National Ex-Offenders Re-Entry Project, Society of St. Vincent de Paul St. James Church, Mukwonago, Waukesha County St. Dismas Conference, Urban Economic Development Association of Wisconsin, Inc. (UEDA), Metropolitan Milwaukee Fair Housing Council, Fair Housing Center of Greater Madison, Fair Housing Center of Northeast Wisconsin, Legal Aid Society of Milwaukee, Inc., Select Milwaukee, Wisconsin Council on Children and Families, End Domestic Abuse Wisconsin, Community Advocates Public Policy Institute, Wisconsin Community Action Program Association (WISCAP), University of Wisconsin Law School Consumer Law Clinic, Wisconsin Public Interest Research Group (WISPIRG), League of Women Voters of Wisconsin, Coalition of Wisconsin Aging Groups (CWAG), One Wisconsin Now, Citizen Action of Wisconsin.