

WISCONSIN CATHOLIC CONFERENCE

EYE ON THE CAPITOL

October 9, 2009

CATHOLICS ON THE FRONT LINES

MAKE THE BEST WITNESSES

By John Huebscher, Executive Director

We on the staff of the WCC are fortunate in that we can draw on the rich experience of Catholics across Wisconsin whose day-to-day experience is the foundation for so much of what we say in policy debates. These rich experiences and credible insights were present again this week at a legislative hearing on the bill to regulate the payday-lending industry.

The WCC's support for regulating payday lenders is not based on theory about markets or government activism. It is grounded in the lived-out experience of those who work with needy families every day. The insights and recommendations of the staff of Catholic Charities agencies and volunteers in the Society of St. Vincent de Paul Councils across Wisconsin were a major influence on the bishops' decision to support regulation of payday lenders.

At an October 7th public hearing on several bills to regulate payday lending, three such people gave eloquent voice to the Catholic contribution to the debate.

Deacon Richard Sage, Director of Catholic Charities in the La Crosse diocese, oversees a vibrant family financial counseling program that helps those who have fallen behind in paying their bills. He related how such people become ensnared in payday lending. He explained how such loans impose exorbitant interest rates and fees that are impossible for many borrowers to meet. He told the poignant story of a woman forced to turn to a second loan to pay off the first, and then a third, and so on until the cycle of debt consumed her family.

Rhonda Schmitt is a family financial counselor for Catholic Charities in the Green Bay diocese. She too sees first hand what happens to vulnerable families caught in a payday-lending trap. Her account of a single mother trying to support her family while paying off payday loans put another human face on the issue. Together, Deacon Sage and Ms. Schmitt drove home the point that payday-lending operations are not confined to the larger cities in southeastern Wisconsin. They wreak havoc on the lives of the poor in all parts of the state.

E. Michael McCann of Milwaukee gave powerful testimony from the perspective of the St. Vincent de Paul volunteers in the Milwaukee Archdiocese. These volunteers don't offer counseling services. Rather, they try to meet the immediate needs of families and individuals in the 10 counties of the Archdiocese. He also reminded legislators that anti-usury laws were enacted for good reason, and that some limits on payday lenders are a matter of basic justice in our society.

Together these three representatives of our ministries gave powerful witness to Catholic values of the common good, the option for the poor, and the principle of solidarity that reminds us that we are all responsible for each other.

It is too early to know if the legislature will enact payday-lending regulations with “teeth” that will minimize or eliminate those aspects of the industry that can be predatory. However, we know the most persuasive advocates for change are the voices of those who bear daily witness to our Catholic tradition through their personal involvement. We are grateful for their continued commitment, and yours.

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