

March 22, 2021

Senate Financial Institutions:

Thank you for the opportunity to speak today. I am Ti'Juana Hardwell—an educator, business owner and community leader living in Wichita, Kansas. I support SB 218 and stand with so many others like Kansans for Payday Loan Reforms who are against predatory lending and demand reform.

Title loan and payday loan companies often move into Black and Brown communities and poor neighborhoods and take advantage of the economic hardships of the people living in those areas. When Black and Brown families need a short-term loan to make rent, to buy food, or to fix a car to get to and from work, they lean on title loan and payday loan companies. But rather than be given relief, these lenders charge high interest rates that make it difficult to repay. In Kansas, these interest rates are as high as 391%.

Many single-parent families fall victim to a cycle of repayment which is due by their next paycheck. But because they still need the money that they used to meet the repayment schedule, they are forced to borrow again. Some even have to take out a 2nd loan through a 2nd payday or title loan company.

In November of last year, I organized a group of Wichitans that joined me in protest of a new payday loan company that moved into my neighborhood. Leading up to the day of the protest and after the protest, I received several messages from people who shared about how the steep interest rates bankrupted them or forced them to miss a rent payment. Some even lost their jobs after their vehicles were repossessed when they couldn't make a payment on a loan against their car title.

In my early 20's I was a single-mom putting herself through college. I recall thinking that a payday loan would get me out of a tight financial position. But it dug me in deeper. I received about 10-15 pages of information that the clerk quickly flipped through and urged me to sign so that I could be given the money I so desperately needed.

We contend that there is a need for lenders willing to work with low income Kansans in need of short-term loans. However, payday and title loans practices have to be better regulated to achieve a level of integrity when dealing with some of the most vulnerable people who rely on them. The reform that SB 218 calls for paves the way for payday lenders to do more good than harm by capping the interest rates. When we don't advocate for Kansans, we hurt Kansas businesses and the Kansas economy. Please support SB 218.

Cordially,

Ti'Juana Hardwell