



**srabc**  
SOUTHERN REGIONAL  
ASSET BUILDING  
COALITION

# Predatory Lending in Florida

## BALANCE SHEET<sup>1</sup>

Income Poverty Rate, 2012	Asset Poverty Rate, 2011	Net Worth, 2011	Asset Poverty by Race, 2011 (Black:White)
15.4%	27.3%	\$53,986	2.16

**Income poverty:** percentage of households with income below the federal poverty threshold

**Asset poverty:** percentage of households without sufficient net worth to maintain income at the poverty level for three months in the absence of income

**Net worth:** median net worth of households, that is, the sum of assets attributable to any individual age 15 years or older in a household, less any liabilities

## FINANCIAL SERVICES<sup>1</sup>

Unbanked Households, 2011	Underbanked Households, 2011	Households with Savings Accounts, 2011	Bankruptcy Rate, 2012 (per 1,000)
7.3%	21.1%	66.3%	4.1

**Unbanked:** percentage of households with neither a checking nor savings account

**Underbanked:** percentage of households that have a checking and/or savings account and have used non-bank money orders, non-bank check-cashing services, pawn shops, or refund application loans (RALs) in the past 12 months

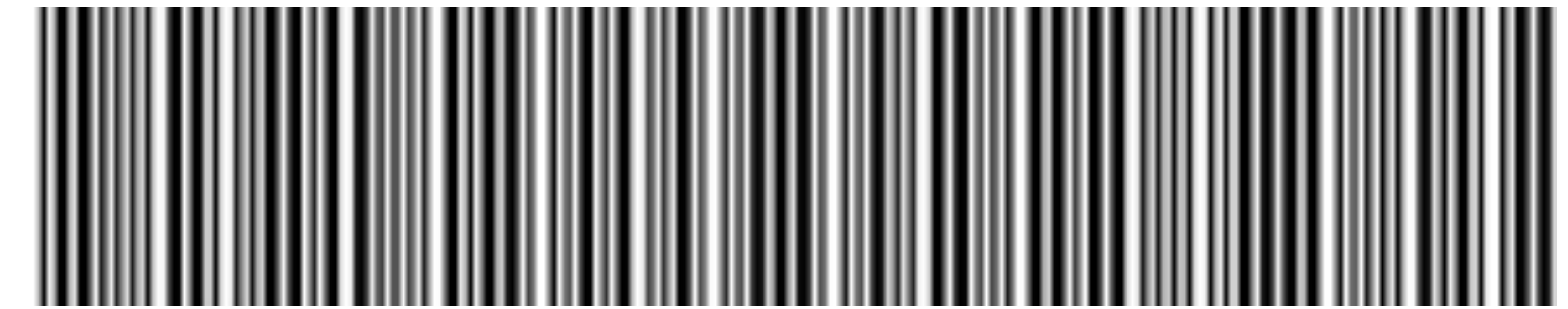
## POLICY PROTECTIONS<sup>1</sup>

For Payday Loans	Payday Loan Interest Cap	For Car-Title Lending	Car Title Loan Interest Cap	For Short-Term Installment Loans	Short-Term Installment Loans Interest Cap
NO	342%	YES	30%	YES	30%

**Payday loan:** Unsecured small-dollar loans that represent an advance on a borrower's next paycheck and generally have a term of two or four weeks<sup>2</sup>

**Short-term installment loans:** Unlike most payday and car-title loans, small-dollar installment loans – when responsibly regulated – can be a safe product. Therefore, rather than prohibiting them altogether, the best policy is to cap these loans at 36% APR. The Federal Deposit Insurance Corporation recently found that small-dollar lenders can safely and profitably lend to consumers at an APR of 36% or less.<sup>1</sup>

## PAYDAY LENDING RECEIPT<sup>3</sup>



### TOTAL TRANSACTIONS

YR2012 \$2.85 BILLION

### INTEREST AND FEES

2.4 MILLION BORROWERS  
@ **280% APR**

\$284 MILLION

\*\*\*\*\* FL LEGISLATURE COUPON\*\*\*\*\*

@ **36% APR**

\$39.5 MILLION

BORROWER SAVINGS THIS TRIP  
**\$244.5 MILLION**

THANK YOU!

1. Corporation for Enterprise Development. (2014). *Assets & opportunity scorecard: Florida*. Retrieved from <http://scorecard.assetsandopportunity.org/2014/state/fl>

2. Leigh, W. A. (2014, August). *Where the stores are... and other factors related to legislative support for the payday lending/title loan industry in Alabama*. Washington, D.C.: Joint Center for Political and Economic Studies

3. RAISE Florida Network. (n.d.). *How communities lose through payday loans: Wealth stripping of communities*. Retrieved from <http://raisefloridanetwork.org>