



srabc
SOUTHERN REGIONAL
ASSET BUILDING
COALITION

Predatory Lending in Mississippi

BALANCE SHEET¹

Income Poverty Rate, 2012	Asset Poverty Rate, 2011	Net Worth, 2011	Asset Poverty by Race, 2011 (Black:White)
22.4%	30.4%	\$35,302	2.30

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 SERVICES¹

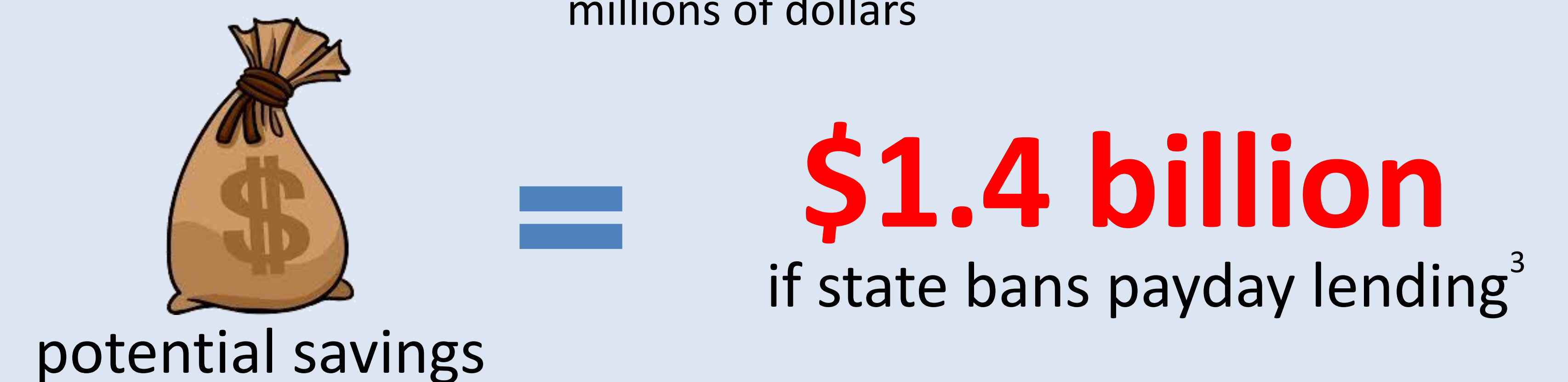
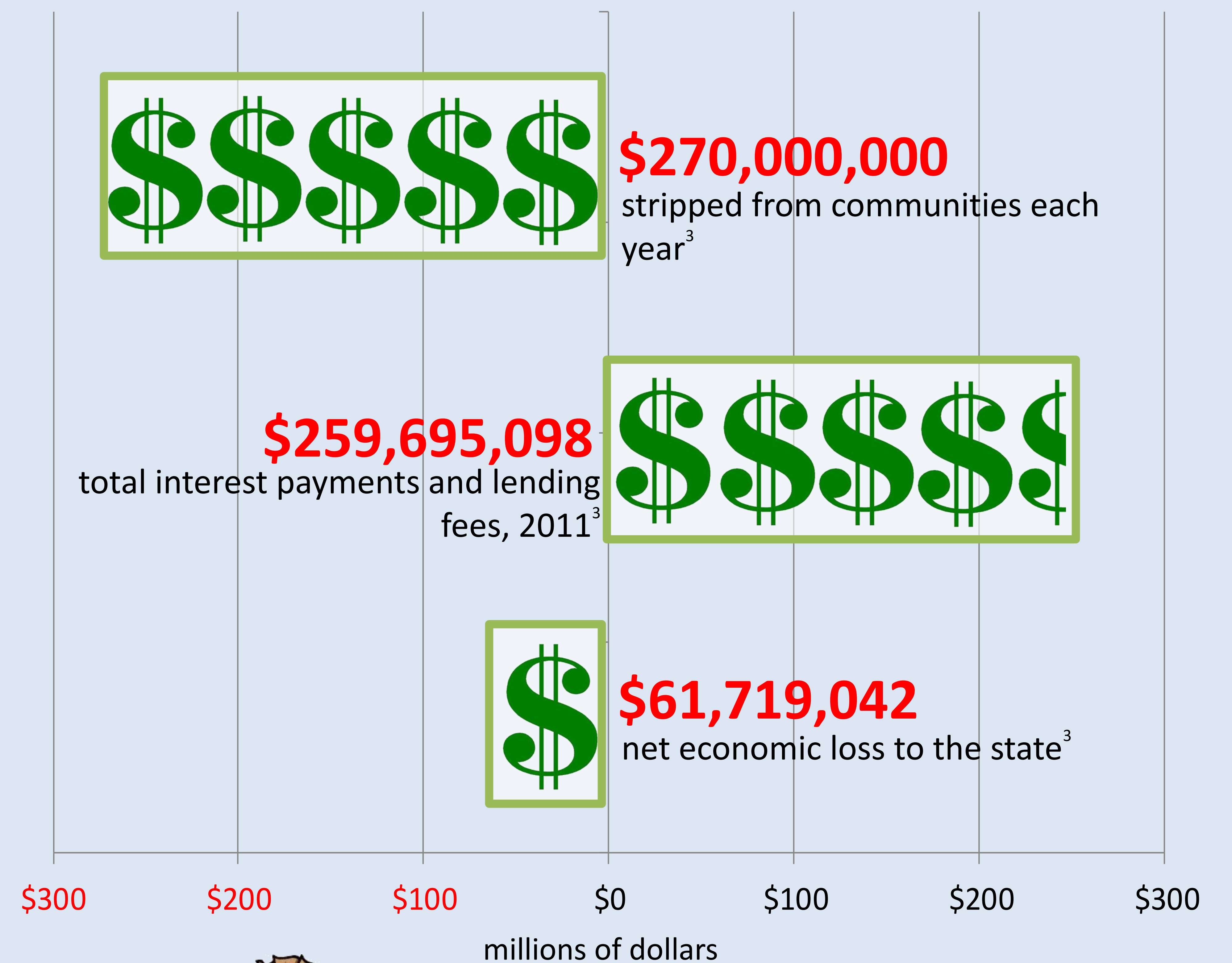
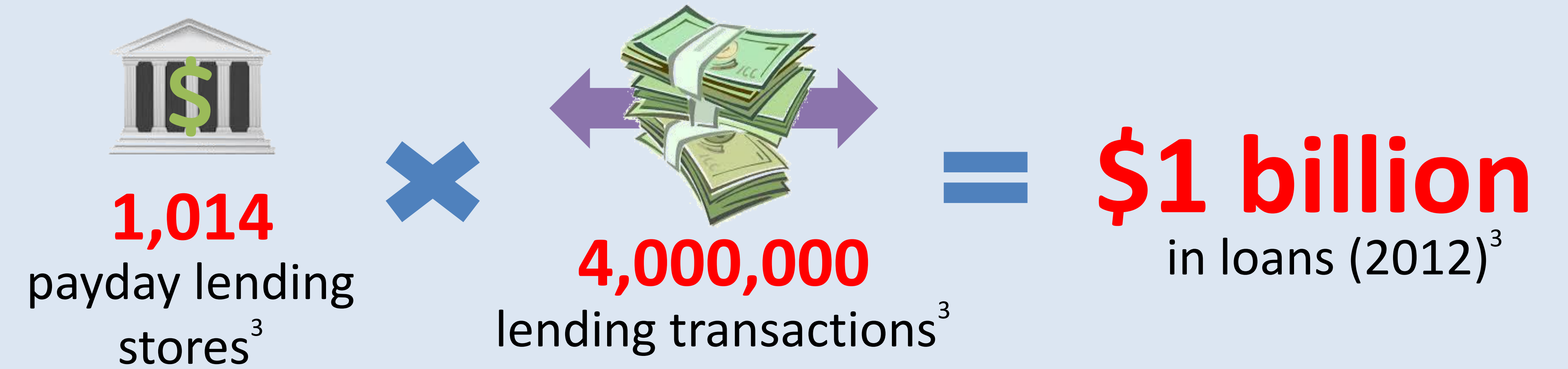
Unbanked Households, 2011	Underbanked Households, 2011	Households with Savings Accounts, 2011	Bankruptcy Rate, 2012 (per 1,000)
15.1%	23.6%	51.8%	4.1

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 PROTECTIONS¹

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	521% ³	NO	350% ³	WEAK	36% ³

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 weeks²
Short-term installment loan: 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.¹



1. Corporation for Enterprise Development. (2014). *Assets & opportunity scorecard: Mississippi*. Retrieved from <http://scorecard.assestandopportunity.org/2014/state/ms>
 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. P. Robinson, personal communication, September 5, 2014; September 10, 2014