

Kentucky Headlines Follow Payday Loan Debate in 2010 & 2011

[Editorial: Put interest cap on payday loans](#)

Lexington Herald-Leader

After considering the industry's case, the consumers' council decided it was in Kentucky's best interest to join 15 other states that have enacted a 36 percent cap on payday loans, the same cap that Congress imposed for the protection of military service members.

[Payday lending legislation gets first hearing in three years](#)

NBC Wave3

"73 percent of the people in the Commonwealth are for a cap," said Owens citing a survey by the Kentucky Coalition for Responsible Lending co-chairs.

[Coalition urges limits on Kentucky's payday lenders](#)

The Courier-Journal

"It is so easy to get caught in this trap," said Mary Love, 65, of Oldham County, who said she became mired in a cycle of such loans in 2004. "The fees keep adding up and putting you deeper into the hole....With one critic calling it 'legal loan-sharking,' a coalition of advocates, religious leaders, consumer protection officials and lawmakers lined up Monday to support a bill aimed at curtailing the payday loan industry in Kentucky.

[Kentucky debates payday lending regulations](#)

Kentucky Post (Covington, KY)

But as Kowana Goode-Story discovered, they can have a downside. "It was hard to get the money back to them because I'm already living paycheck to paycheck," she says. She figured her original loan of \$500 ended up costing her between \$1,500 and \$2,000. Goode-Story says there was only one way out. "I had to file bankruptcy." Ironically, she now counsels her low income clients at the Northern Kentucky Community Action Commission on how to make ends meet. She wishes she had walked into her own office years ago. "I would say, don't do it. You have plenty of friends and family or even your community, who can help you with that situation."

[Letter to the editor: Payday lending fees out of control, need limits](#)

Lexington Herald-Leader

By: Mary Alice Pratt

A database established by the Kentucky General Assembly is bringing to light information on how payday lending affects Kentuckians. A letter from the attorney general's office to the legislative leaders states that the database reveals "83 percent of payday loans went to consumers who took out five or more loans at an APR of 391 percent during a five-month period."

[Repeat Borrowers Are Driving Payday Loan Business](#)

The Edit: WFPL's Gabe Bullard blogs the news

Payday lenders have declined to attend a recent series of meetings on payday lending. They say a 36% annual interest rate cap would put them out of business, because their loans are designed for short-term use. The Kentucky Coalition for Responsible Lending (linked above) says while the loans may be short-term, they are often taken out in succession, as borrowers end up under a growing debt with just a few loans.

[Feedback: End payday loan debt trap](#)

Lexington Herald-Leader

By John Rosenberg (of Prestonsburg is the volunteer specialist on predatory lending for AARP Kentucky.)

There is broad statewide support for lowering abusive 400 percent rates in favor of the sensible 36 percent cap. Now that we have concrete Kentucky data about this cycle of debt, it's time to act and pass HB 182 this year. Our legislators have the power now to move forward with a proven reform to spring Kentuckians from payday lending's debt trap.

[Cash Express donors back both Beshear and Williams](#)

Courier-Journal

Thirty-nine people — most of them out-of-state residents with ties to Kentucky's largest payday lender — have given \$1,000 each to Gov. Steve Beshear's re-election campaign and that of his main Republican rival, Senate President David Williams.

[Payday lending is godsend or evil, depending on who you ask](#)

Lexington-Herald Leader

Far from eliminating the "rollover" problem, Conway's office said in a letter to legislative leaders, the data show "that the average consumer is trapped in a debt cycle. ... What is offered to a consumer as a short-term, stop-gap loan often becomes an insurmountable financial burden due to the high interest rate of this product."

[Payday lending is costly to borrowers, advocates say](#)

Lexington Herald-Leader

"It's like quicksand, and as long as they have 400 percent interest rates, they can't get out," Bill Embry. Consumers and local economies across every KY county loose millions of dollars every year to payday lending.

[State panel hears of payday loan troubles](#)

Courier-Journal

After taking out a \$500 payday loan to fund emergency car repairs last summer, Hikes Point homemaker Tonia Nolden has wracked up \$400 in fees without a dent against the principle.

[Finding Options - Where to Look](#)

Lexington-Herald Leader

Lexington's Herald-Leader published a helpful list of options for consumers looking for options to payday loans



For more information visit:
<http://kyresponsiblelending.wordpress.com/>