

For Immediate Release
February 8, 2013
Media Contact: Joan Witherspoon-Norris
205 322-9922, ext. 164
jwitherspoonnorris@ywcabham.org

YWCA Central Alabama Hosting National Day of Action on Predatory Lending Practices

BIRMINGHAM, AL., February 8, 2013 --- The Deferred Presentment Services Act (Alabama's payday lending law) allows interest rates of 456 percent APR on loans under \$500, a rate almost 13 times prior limitations provided in the Small Loan Act. This law is victimizing working Alabamians every day.

To address this issue, the YWCA Central Alabama is partnering with Alabama Appleseed, Alabama Arise, Birmingham Faith in Action and Greater Birmingham Ministries to host a National Day of Action on Thursday, February 14, 2013 at 11:30 a.m. at the YWCA. Community leaders and predatory loan borrowers will speak about the harms of predatory lending practices and how citizens can work to change these practices.

"Right now there is a lot of momentum behind the effort to change the laws which allow certain lenders to charge outrageously high rates. Support for leveling the lending playing field is coming from Republicans and Democrats from across the state, and the YWCA is glad we are able to work for change that will improve the lives of the people we serve as well as folks all over our state," says Joan Witherspoon-Norris, Director of Social Justice.

The YW has seen the impact of predatory lenders on the families they serve. Next to the YW's housing development in Woodlawn, a payday loan business presents itself as a viable option for families short on funds. But, as in every other Birmingham neighborhood, too many people get caught in the devastating cycle of borrowing more and more to pay back their original loan.

The YW and its community partners seek to gain passage of legislation to cap interest rates on small dollar consumer loans at 36 percent, thus revoking the inexplicable authorization of 300 percent and 456 percent APR allowed under the laws governing title pawn and payday lending. Such modification does not target any specific industry or business; it removes barriers to lending by reversing the special interests' carve outs and ensuring small dollar loans are affordable to all borrowers.

Shay Farley, Legal Director at Alabama Appleseed says, "With misleading promises of a quick fix, these products trap borrowers in financial quicksand, strip wealth from vulnerable families and leave borrowers with fewer resources to devote to asset development and boosting the local economy. Congress set a 36% interest rate cap for military personnel and other southeastern states have laws that limit interest rates or ban these products outright. It's time for Alabama to do the same!"

The event is free and open to the public. Walk-ins are welcome, but RSVPs are appreciated. To RSVP, contact Jacob Smith at jacobsmith@ywcabham.org or (205) 322-9922 ext. 306.

About the YWCA

The YWCA Central Alabama is a United Way organization that is dedicated to eliminating racism, empowering women and promoting peace, justice, freedom and dignity for all. For 110 years, the YWCA Central Alabama has been responding to the needs of women and families. The YW's programs and services serve women and families by providing: affordable child care for families; child care and after-school enrichment programs for homeless children; affordable housing; a broad array of domestic violence services; and social justice programs.