



--For Immediate Release--

WISCAP Commends Governor Doyle
for Actions on Payday Lending Bill

The Wisconsin Community Action Program Association (WISCAP) today praised Governor Jim Doyle for his action in signing legislation last week regulating payday lenders and banning auto title loans in Wisconsin.

“Low-income households have historically been especially hurt by the predatory practices of payday lenders,” said Richard Schlimm, WISCAP’s Executive Director. “Their immediate needs have often caused them to fall into financial traps preventing their achievement of economic self-sufficiency for years. Finally, the payday lending industry will be regulated.”

The bill signed into law by Governor Doyle will limit the size of payday loans to \$1,500 or 35% of monthly income, whichever is less. It will allow borrowers to renew their loans only once, preventing them from being trapped in cycles of debt through unlimited rollovers.

In addition, through the use of his veto power, Governor Doyle eliminated interest charges after a payday loan comes due, as well as all auto title loans. Schlimm hailed both these changes, praising the Governor for making the final law stronger. “Auto title loans often result in people losing their cars and losing their ability to go to work,” he said. “Together, these two changes got at the heart of some of the worst predatory practices in our state.”

While praising the Governor’s action in signing the bill into law, Schlimm noted that WISCAP will continue to support a rate cap as a critical long-term regulatory necessity in future legislative sessions.

WISCAP is the statewide trade association of Wisconsin’s sixteen Community Action Agencies (CAAs) and three special-purpose organizations with statewide anti-poverty missions. CAAs are private, not-for-profit, locally-controlled organizations dedicated to helping low-income households become economically self-sufficient and to serving the communities in which they reside.

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