

# The Importance of a 36% Rate Cap

A briefing for IL Latino  
Legislative Caucuses

.....

*Hear new research on  
payday lenders  
targeting Latino  
communities.*

Welcome!  
The briefing will  
start soon.

Speakers include:

**Congressman Chuy García**

**Horacio Mendez,**

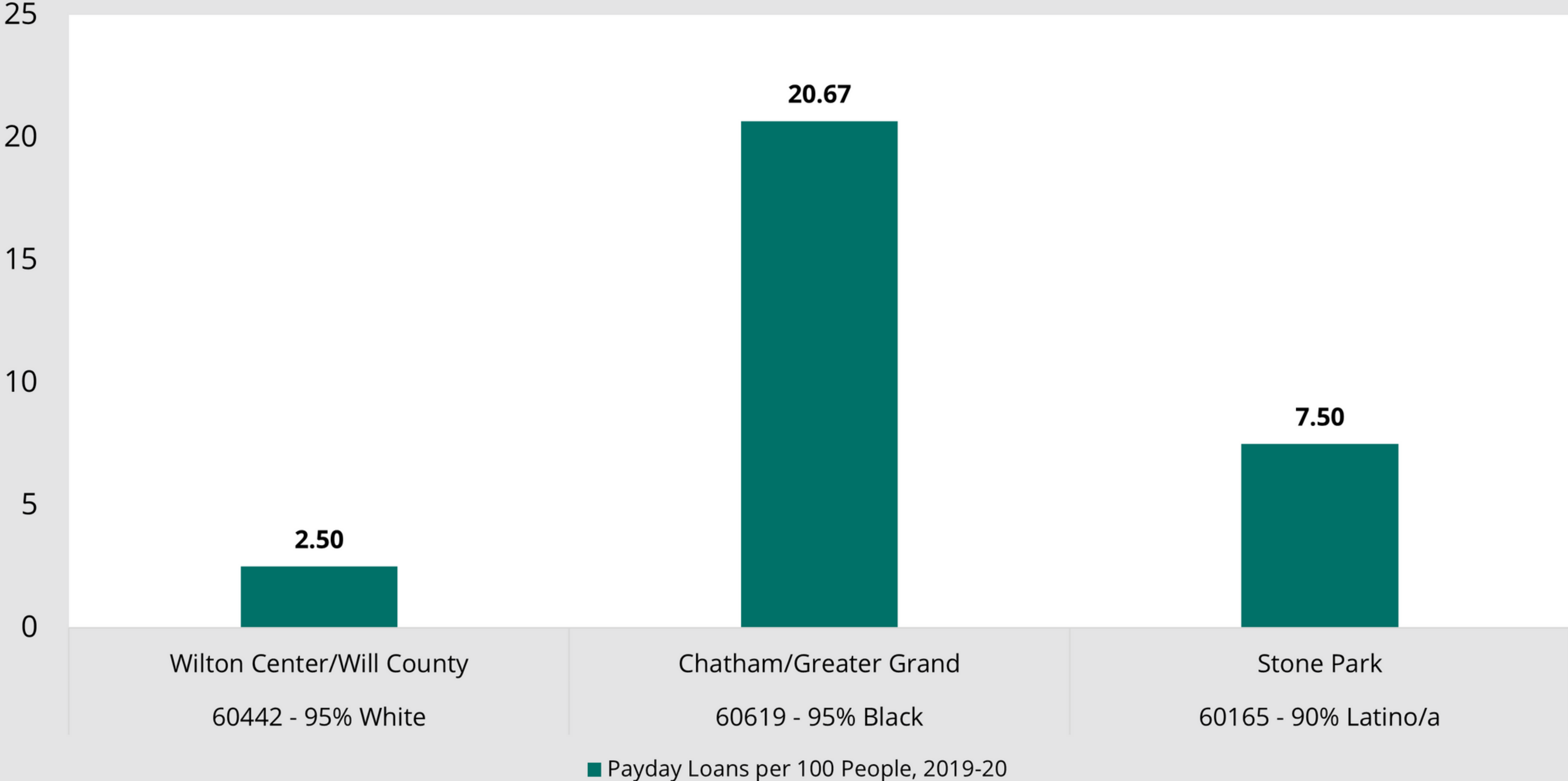
President & CEO, Woodstock Institute

**Raul Raymundo,**

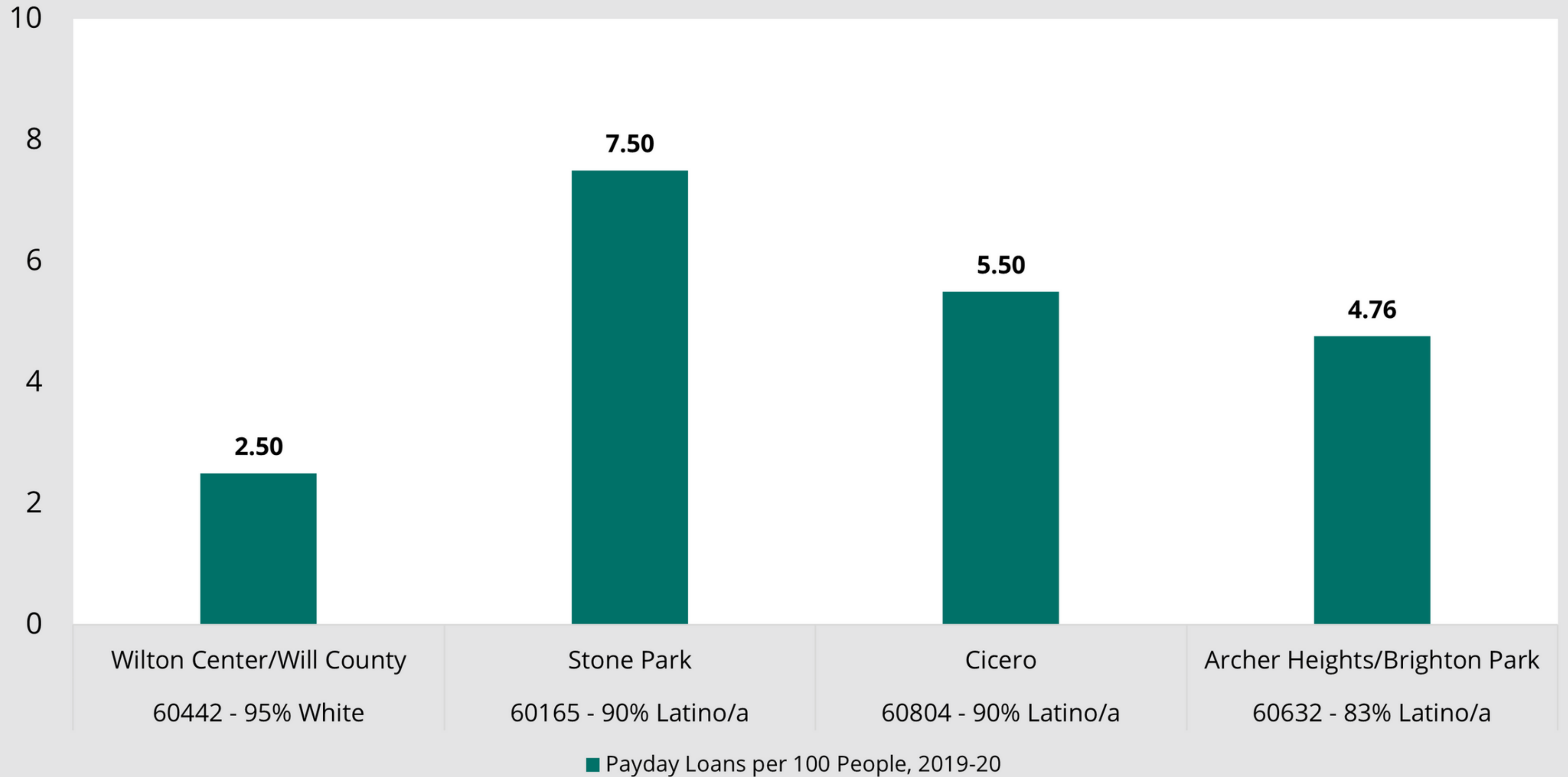
CEO, The Resurrection Project

Hosted by the IL Predatory Loan Prevention Act Coalition

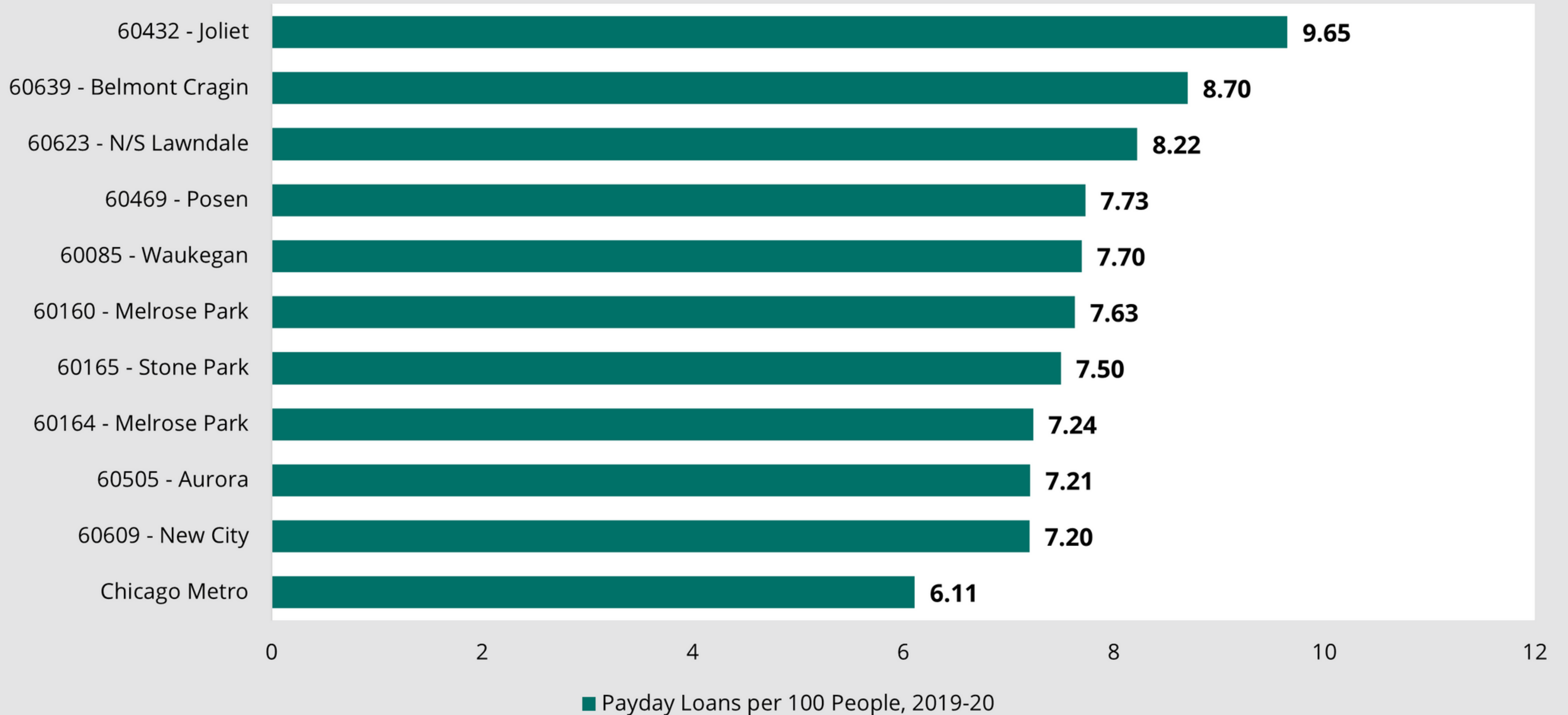
# Payday Loans by Highest Percentage, Race, 2019-20, Chicago Metro Area



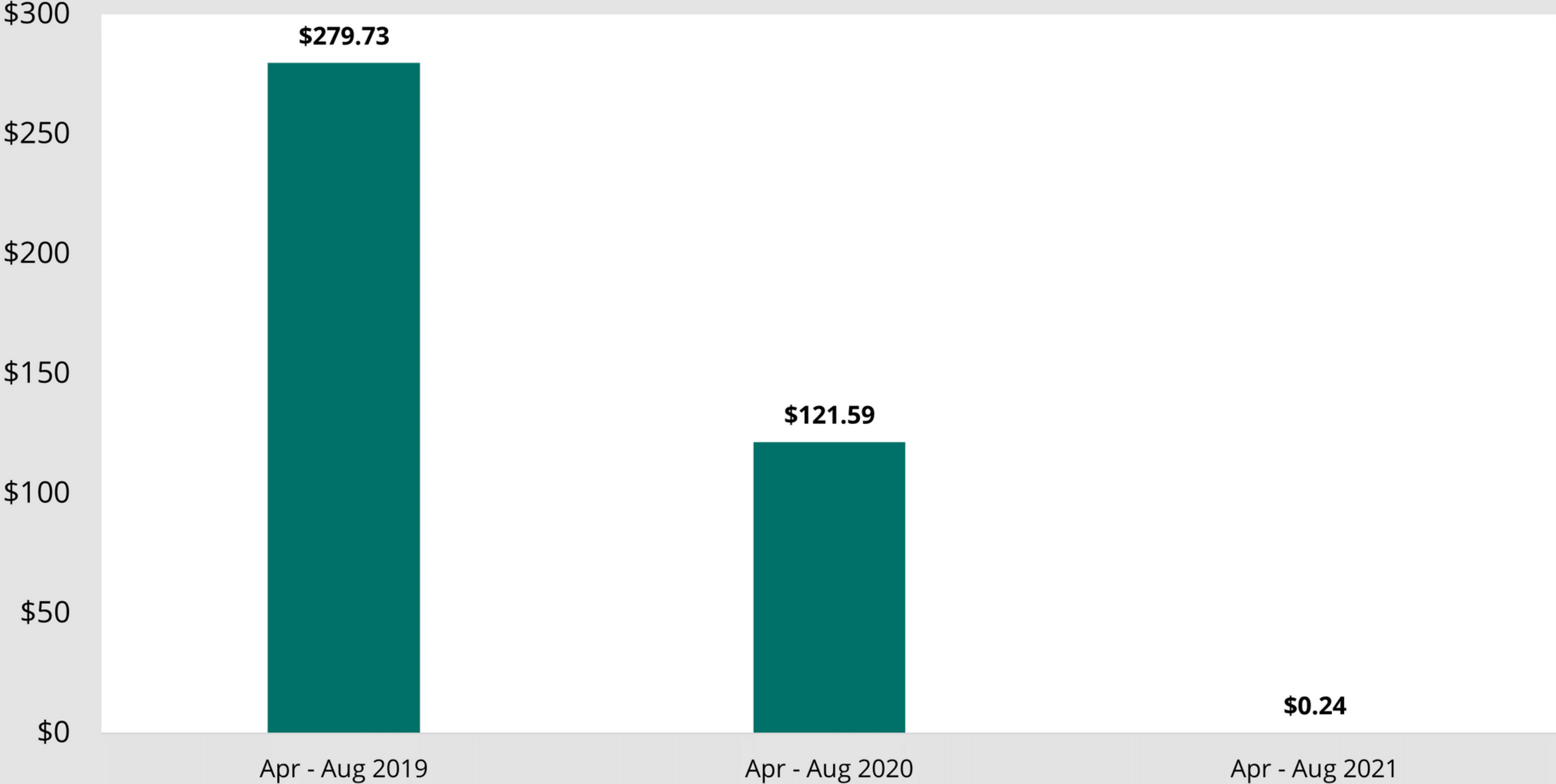
# Payday Loans by Highest Percentage, Latino/a, 2019-20, Chicago Metro Area



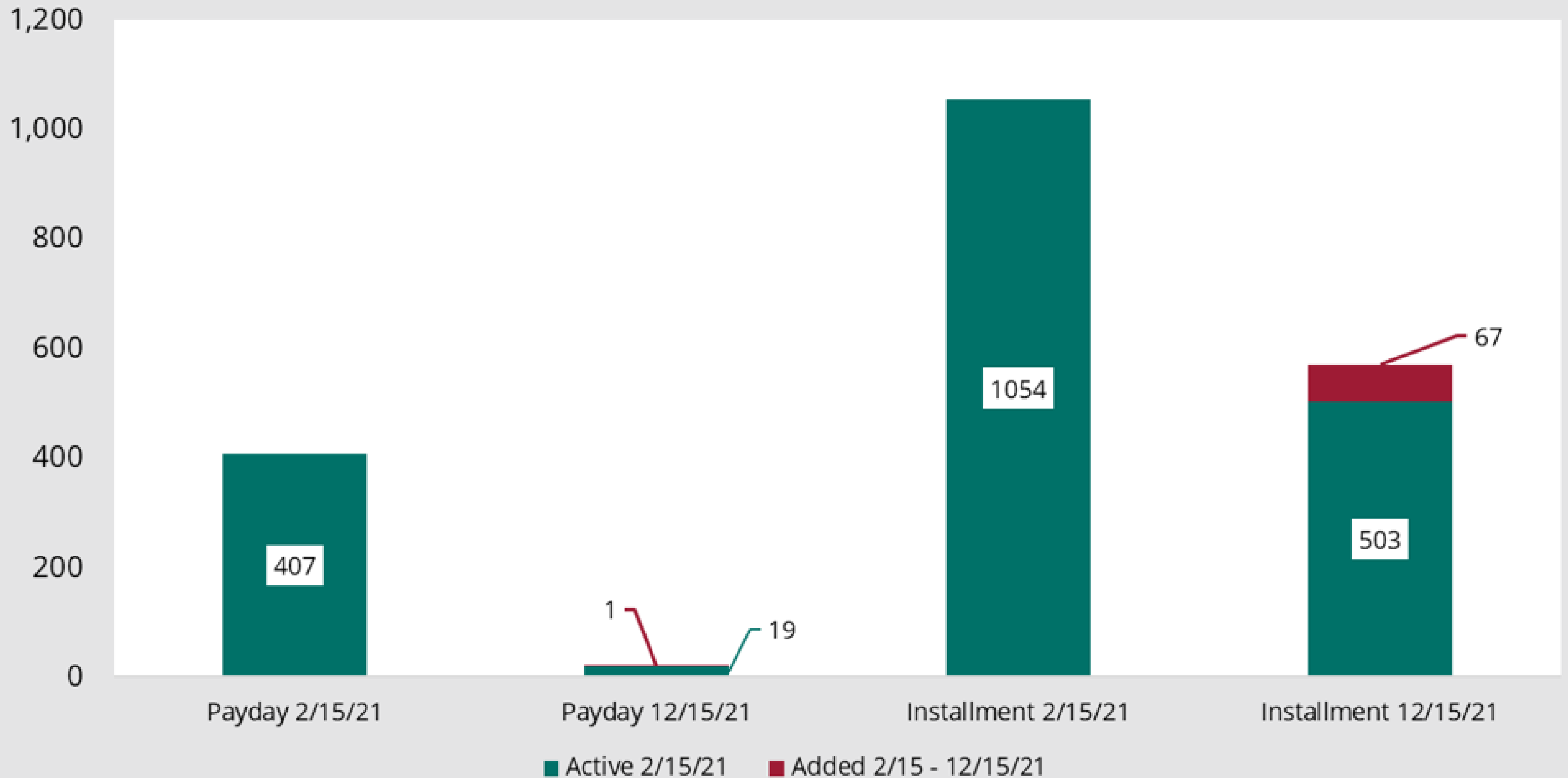
## Highest Number of Payday Loans in Majority Latino/a ZIP Codes, 2019-20, Chicago Metro Area



# Total High-Cost Loan Fees Paid in Illinois, in \$1,000,000s



## Change in Payday and Consumer Installment Lenders, 2/15 - 12/15/21



# Other Factors Impacting Store Closings

Market was already contracting:  
2,240 locations in 2016 down to  
1,813 in 2020.

Like banks, nonbank lenders are  
moving to the internet to save  
money.

Fintechs are partnering with banks  
or becoming banks.

# Illinois Consumer Lending Post-PLPA\*

## CDFIs

- Capital Good Fund's Crisis Loan (5% APR)
- Capital Good Fund saw 70% increase in volume post-PLPA

## Installment Loan Stores

- One Main Financial, Mariner Finance, Oportun
- All under 36% APR

## Fintechs

- Lending Club, Avant, Upstart
- All under 36% APR

Note: American Fintech Council members supported PLPA and support nationwide 36% cap.

\*Not including banks and credit unions.