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, Latino/a, 2019-20, Chicago Metro Area

- Wilton Center/Will County: 2.50, 60442 - 95% White
- Stone Park: 7.50, 60165 - 90% Latino/a
- Cicero: 5.50, 60804 - 90% Latino/a
- Archer Heights/Brighton Park: 4.76, 60632 - 83% Latino/a
### 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.