

To: Interested Parties
 From: Celinda Lake, David Mermin, Emily Garner
 Re: New Polling Shows Overwhelming Public Support for Rate Cap and Continued Access to Creditⁱ
 Date: September 27, 2022

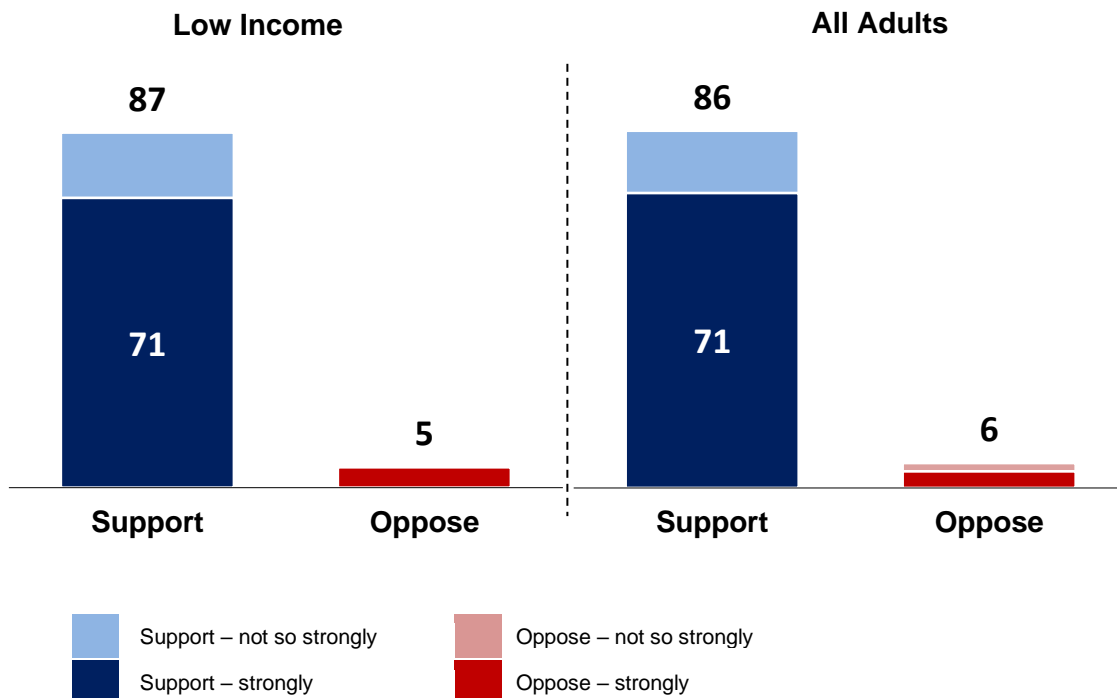
After polling low-income adultsⁱⁱ and the general adult population in Illinois, new data from Lake Research Partners shows that Illinoisans overwhelmingly support the Predatory Loan Prevention Act (PLPA), the new law that places a 36% rate cap on consumer loans. The data also shows that a large majority of adults across race/ethnicity and income level have been able to borrow money since the rate cap took effect.

Illinoisans are also mostly opposed to proposed amendments and carve-outs to the PLPA, with over half of adults saying they would vote against a candidate who supports allowing lenders to charge more than the current 36% interest rate cap. Numbers among low-income adults are similar to the general adult population.

Support for the 36% rate cap on payday, auto title, and personal loans is overwhelmingly strong across Democrats, Republicans, race/ethnicity, and income level in Illinois.

- Among adults in Illinois the 36% rate cap enjoys overwhelming bipartisan support. Democrats are most enthusiastically in favor, but over eight in ten independents and Republicans also support the law, and over six in ten support it strongly.
- Low-income adults and adults overall are essentially identical in their overwhelming support of the rate cap, with over seven in ten in both groups supporting it strongly.

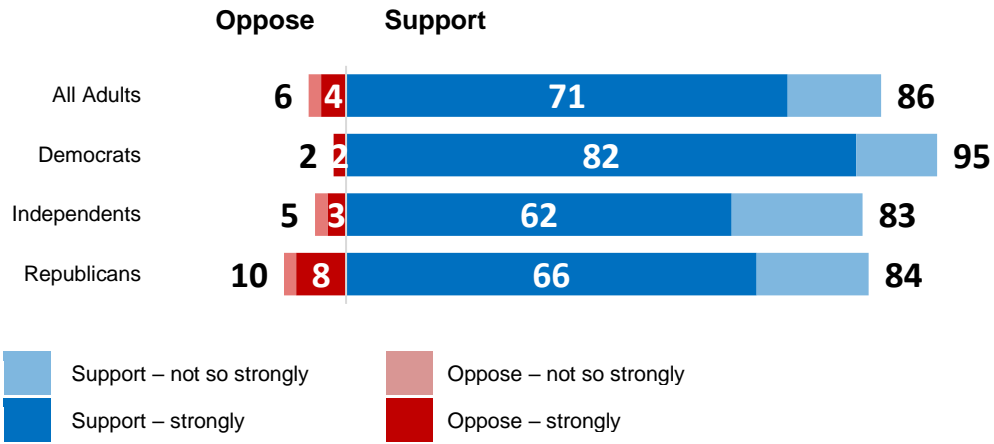
Support for 36% Rate Cap



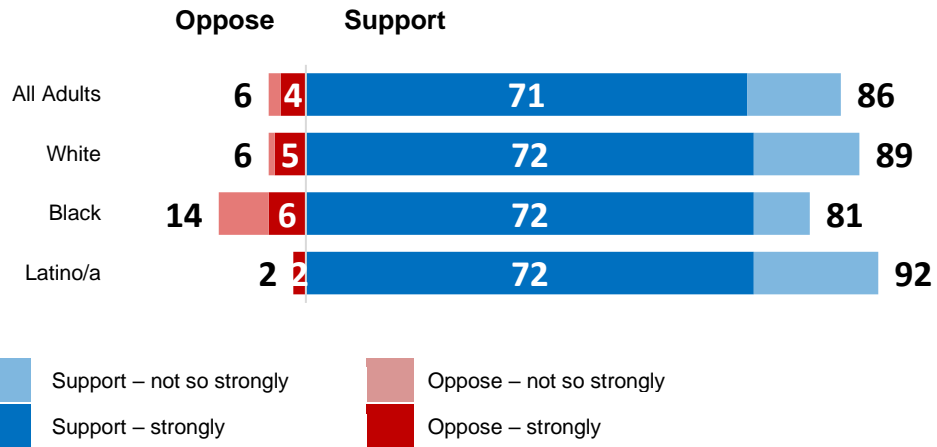
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Support – not so strongly Oppose – not so strongly
 Support – strongly Oppose – strongly



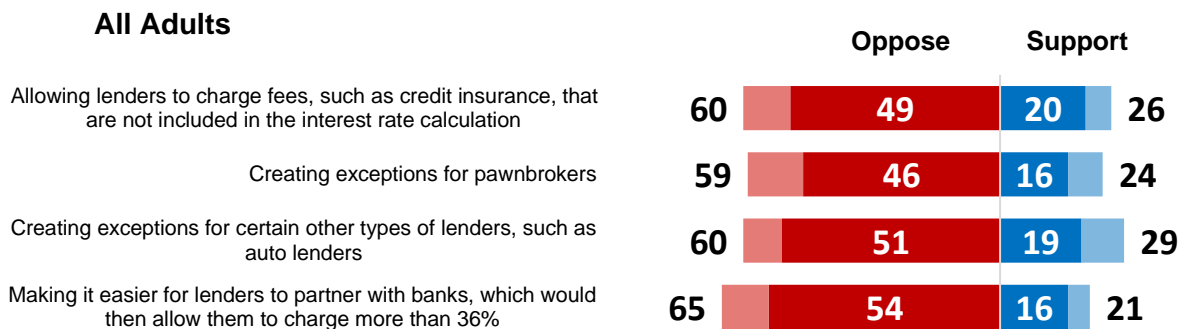
- Illinoisans are overwhelmingly supportive of the rate cap across race/ethnicity, with over seven in ten of white, Black, and Latino/a adults supporting it strongly.



Majorities of adults and low-income adults in Illinois oppose carve outs to the 36% rate cap, with high intensity.

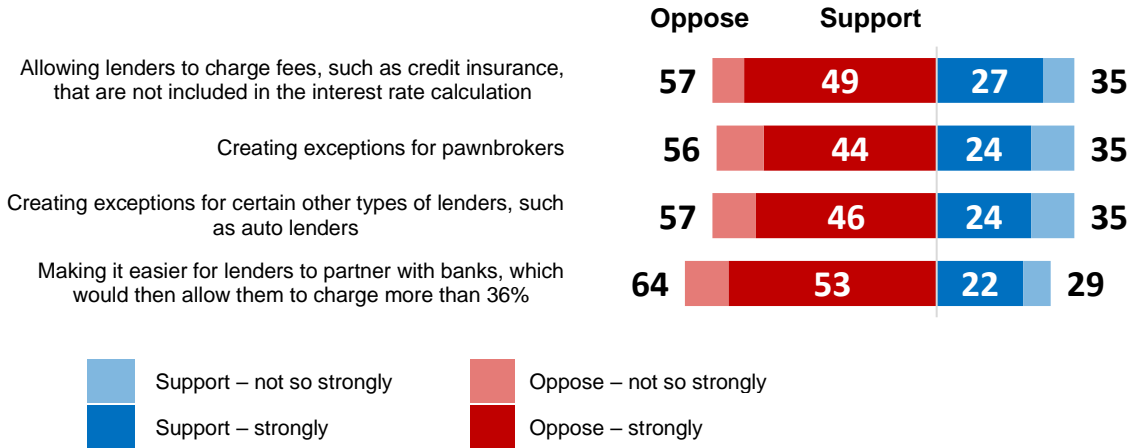
- About six in ten of all adults oppose the proposed carve-outs to the 36% rate cap law, with only 20-30% in favor of each.

Opposition to Carve Outs



- Majorities of low-income adults also support the rate cap, with roughly one third in favor of each.

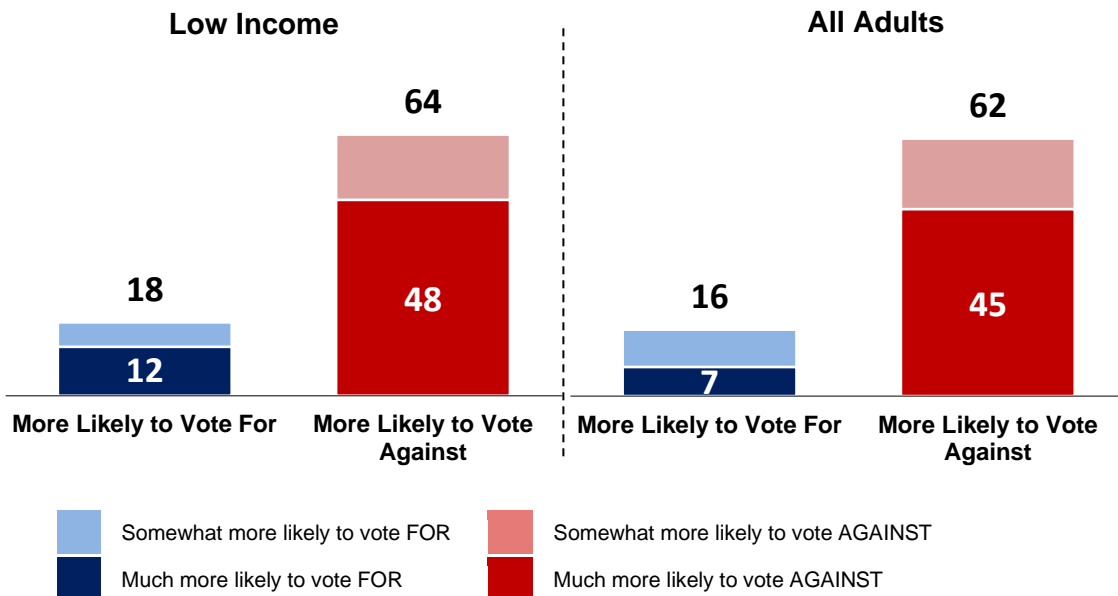
Low Income



Over six in ten adults and low-income adults are more likely to vote against a candidate who supports carve outs to the rate cap, with high intensity.

- A large majority of Illinoisans would vote against a candidate who would allow some types of lenders to charge more than a 36% interest rate, and less than one in five would vote for such a candidate.
- Across race/ethnicity, strong majorities of Illinoisans say that they would vote against a candidate who supports carve outs.

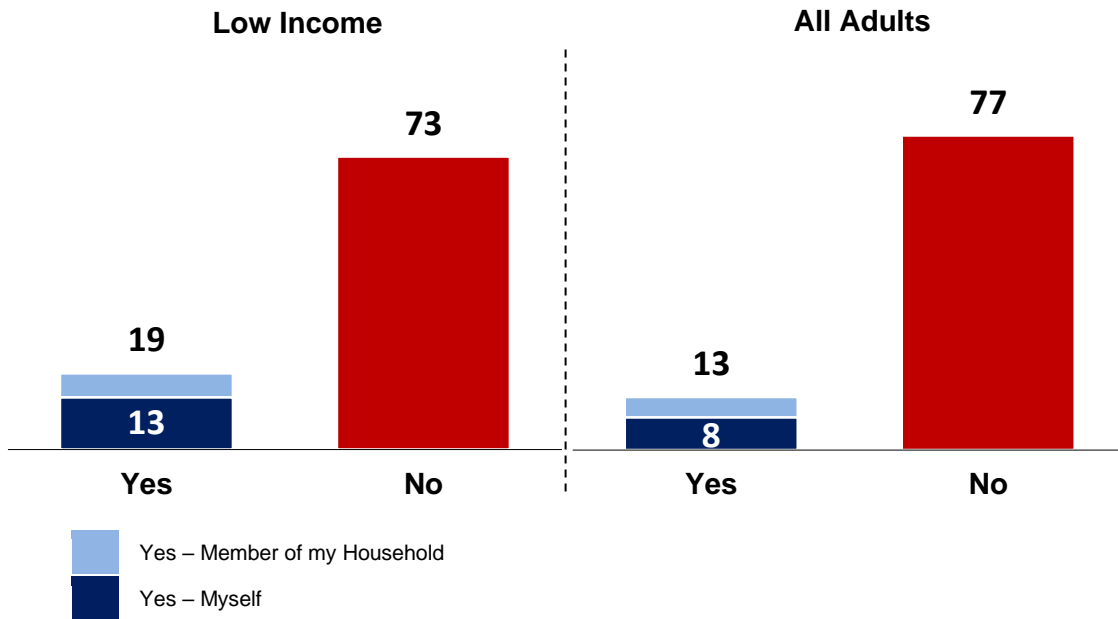
Support for Candidate Who Allows Exceptions to 36% Rate Cap



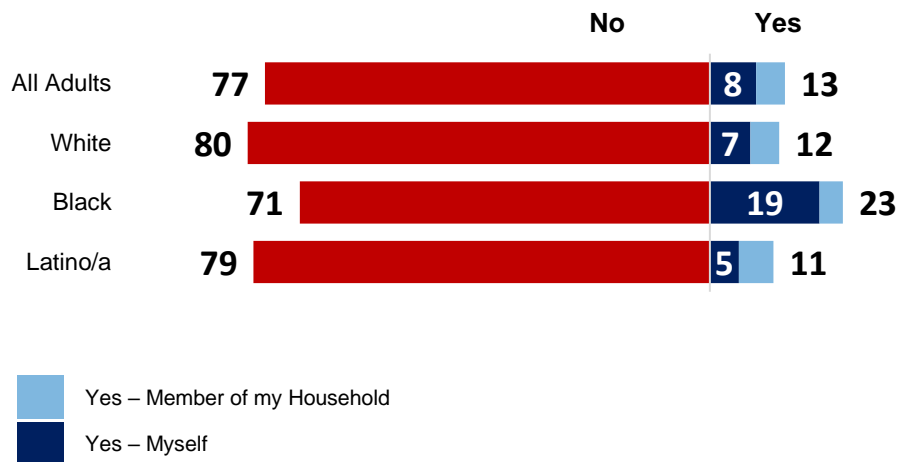
More low-income adults have taken out payday, auto title, pawn, or installment loans in the past five years than adults overall.

- About one in five low-income adults in Illinois (19%) say that they or a member of their household have taken out a payday, auto title, pawn, or installment loan in the past five years, compared to 13% of adults overall.

Have Taken a Payday/Auto Title/Pawn/Installment Loan in Past Five Years

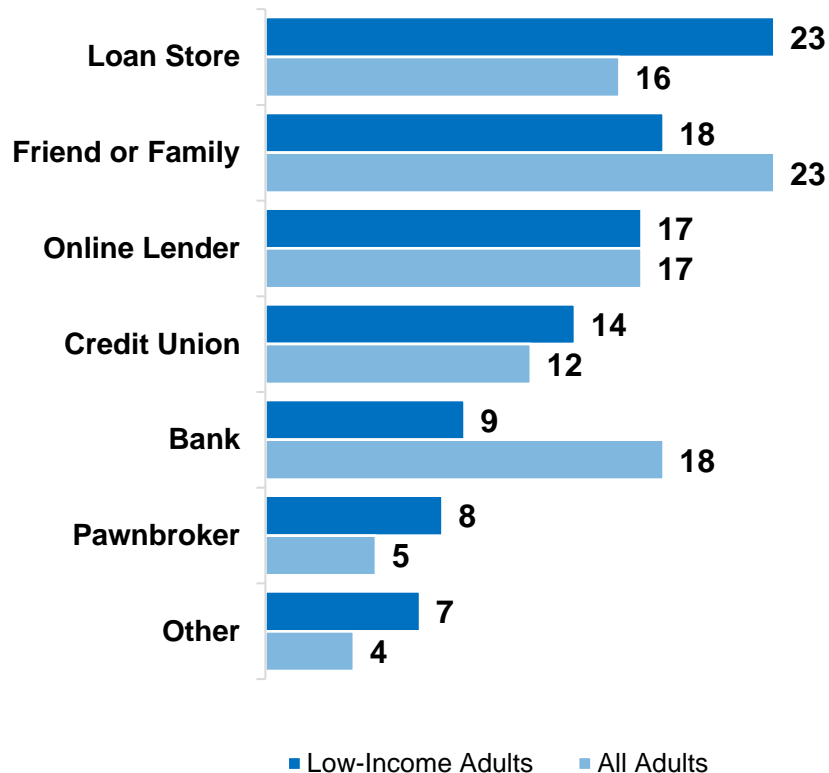


- Black adults are the most likely to have taken out one of these loans in the past five years (23%), compared to around one in ten of white and Latino/a adults.



- For low-income adults who have taken out a loan of this type in the past five years, the most common places to get those loans were from loan stores (23%), followed by friends or family (18%), online lenders (17%), credit unions (14%), and banks (9%).
- Adults overall were less likely to get their loans from loan stores (16%) and more likely to get them from friends or family (23%) and banks (18%) than low-income adults. Similar numbers of adults report getting loans from online lenders (17%) or credit unions (12%).

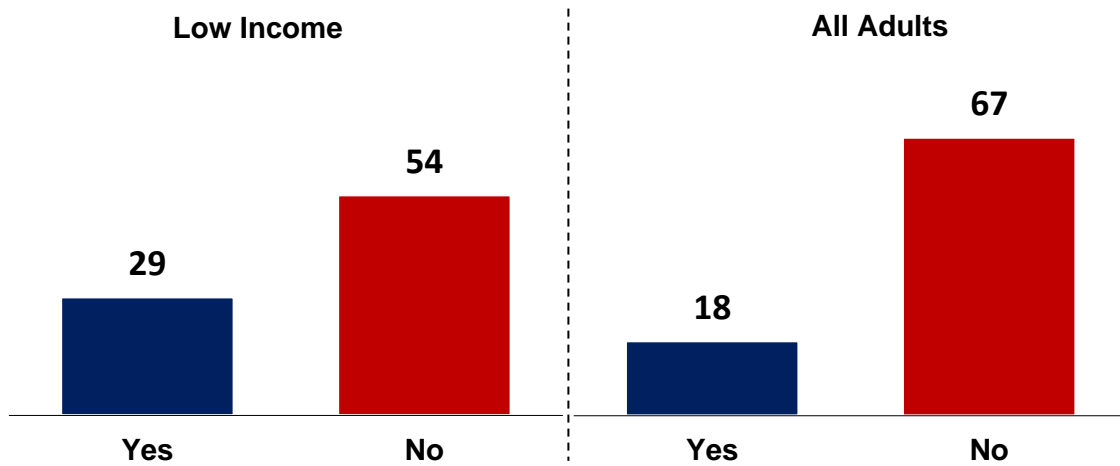
Where People Have Been Getting Loans in the Past Five Years



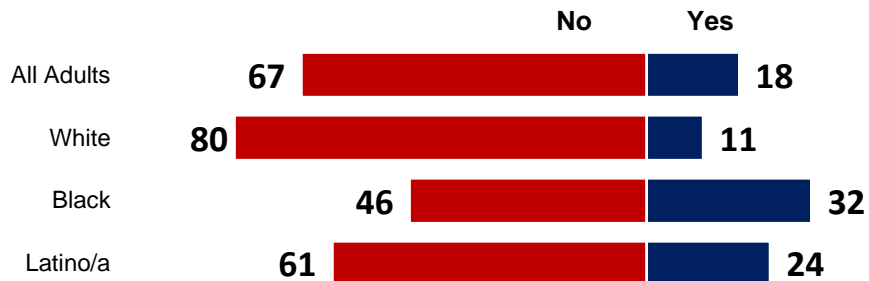
Many low-income adults and adults overall have needed extra cash for emergencies or necessities since April 2021 when the rate cap was in effect.

- Nearly three in ten low-income adults in Illinois (29%) say that they or their family have needed extra cash for an emergency or to pay for household necessities since April 2021 when the rate cap was in effect.
- Out of the general adult population of Illinois, just under one in five (18%) have needed extra cash since the rate cap took effect.

Needed Extra Cash for Emergency/Necessities Since PLPA

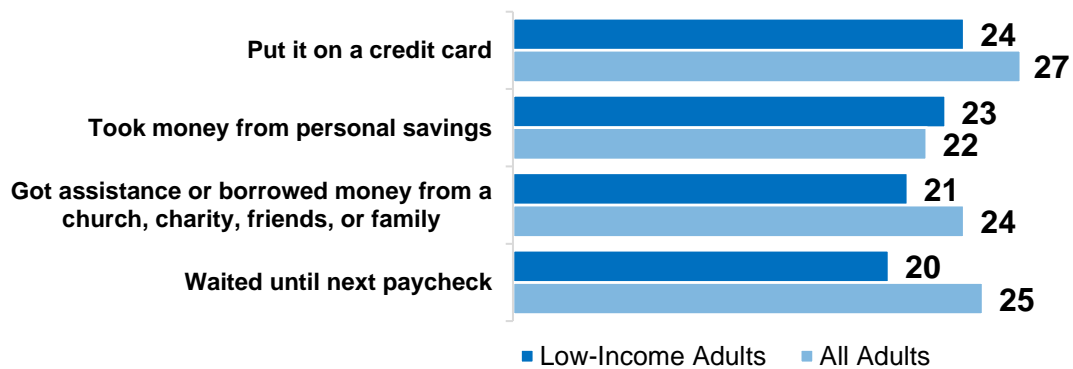


- Black Illinoisians are the most likely to have needed extra cash (32%), compared to 24% of Latino/a adults and 11% of white adults.



- For low-income adults who needed emergency cash, the most common ways to handle it were to put it on a credit card (24%) or take money out of personal savings (23%).
- For the general adult population, putting it on a credit card (27%) and waiting for the next paycheck (25%) were the most common ways to handle a need for emergency cash.

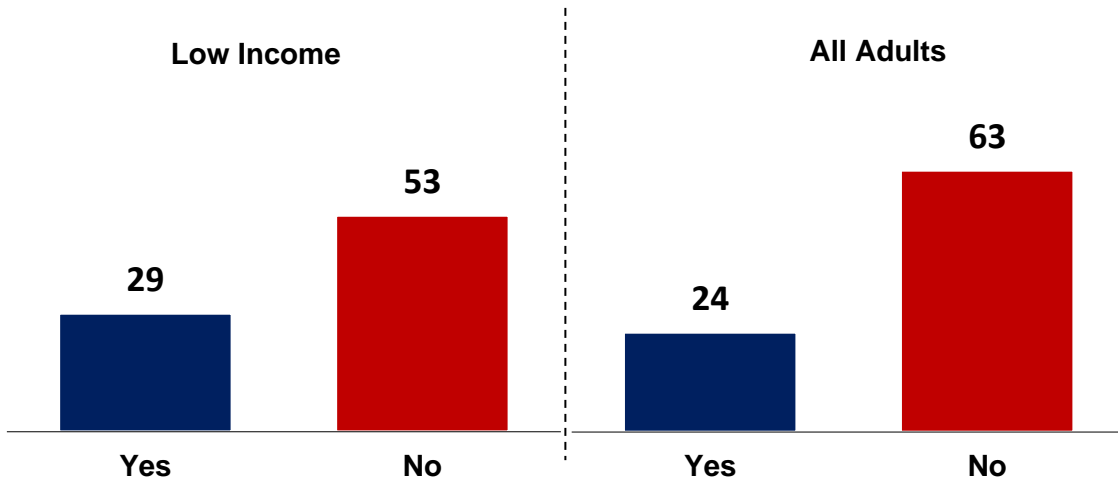
How Handled the Need for Emergency Cash Since PLPA



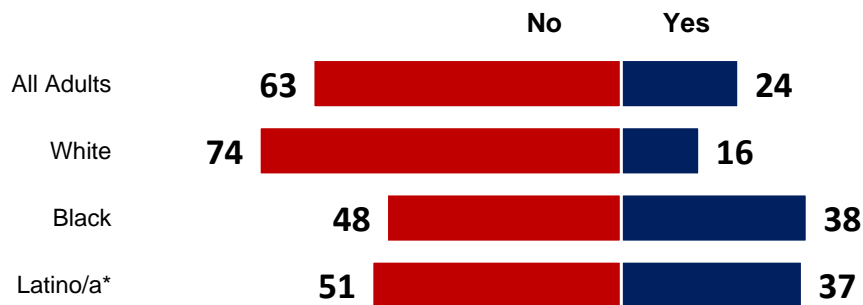
[Illinois adults, including low-income adults, continue to access credit following the implementation of the 36% rate cap.](#)

- Over a quarter of low-income adults (29%) say that they, a relative, or friend tried to borrow money in the past 6 months, compared to 24% of adults overall.

Tried to Borrow Money in the Past 6 Months



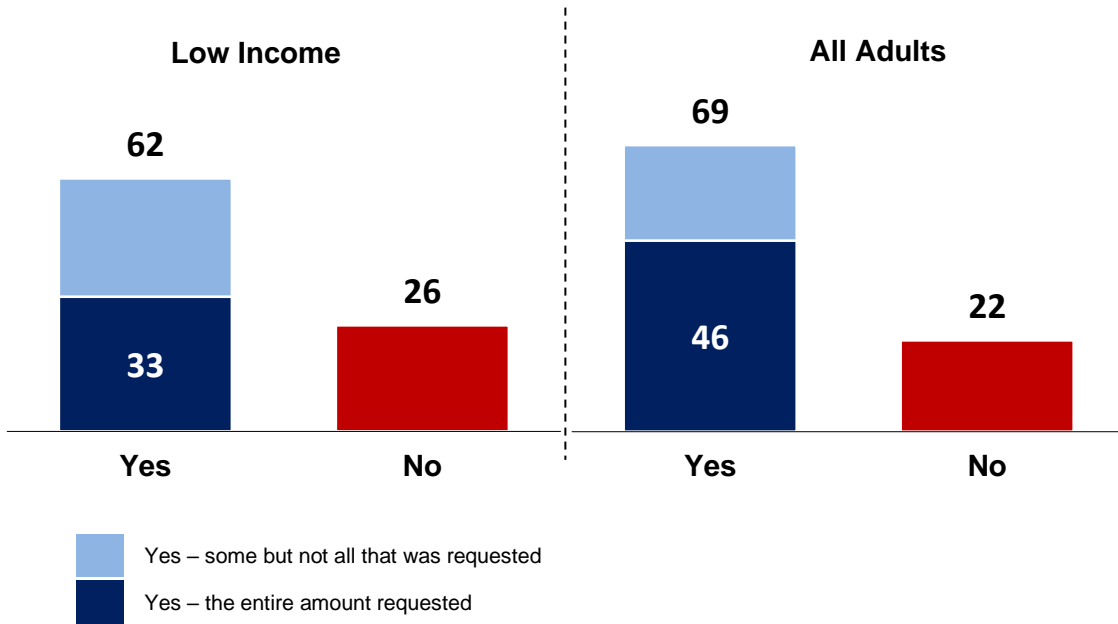
- Black (38%) and Latino/a (37%) adults are the most likely to have tried to borrow money in the past 6 months, with only 16% of white adults saying that they have. *



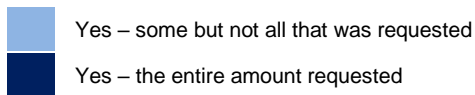
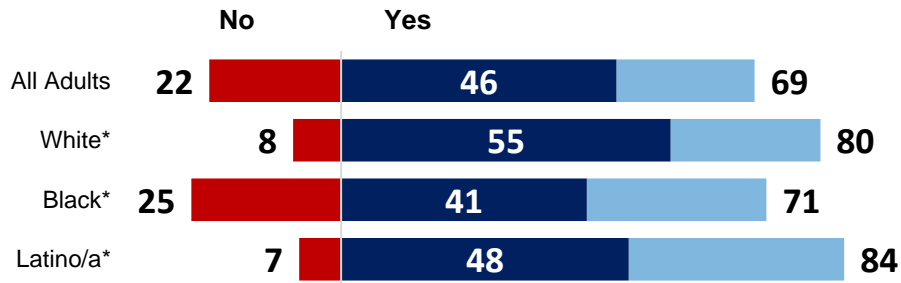
*Sample size on ethnicity data for this question is small; margin of error is large

- Nearly two thirds of low-income adults (62%) and more than two thirds of adults overall (69%) were able to borrow money.

Able to Borrow Money



- Seven in ten Black adults (71%), four in five white adults (80%) and 84% of Latino/a adults were able to borrow money. White adults were most likely to be able to borrow the entire amount requested.*



*Sample sizes on race/ethnicity data for this question are small; margins of error are large

Please feel free to contact Celinda Lake (clake@lakeresearch.com) or David Mermin (dmermin@lakeresearch.com) at 202-776-9066 for additional information about this research.

ⁱ **Survey:** Lake Research Partners designed and administered this survey which was conducted by live telephone and text to online interview from July 7-17, 2022.

The survey reached 400 low-income high interest loan targets (adults with a household income below \$60,000 and a personal income below \$50,000 who are not stay at home parents or students) and 200 other adults in Illinois.

The sample was stratified by gender, age, race, region, party identification and education level to reflect the expected demographic composition of adults in Illinois, and by gender, age, race, region, party ID, education level, gender by region, and gender by race to reflect the expected demographic composition of low-income adults in Illinois. Where there were slight differences between our survey sample and the expected demographic composition, data were weighted accordingly.

The margin of error is +/- 4.0% for the full adult sample, +/- 4.9% for the full low-income sample, and larger for subgroups.

Numbers do not always add up to 100% due to rounding and refusals.

ⁱⁱ Low-income adults were over-sampled because the data shows that high-cost loan borrowers are disproportionately low income. According to data maintained by the Illinois Department of Financial & Professional Regulation, the average gross income of individuals who took out a high-cost loan between January 2012 and December 2020 was \$33,542. Illinois Trends Report (Last Updated 11/23/21).