

### ***Did you know:***

**There were more than 2,400 payday lending stores in California in 2008—more than all Starbucks and McDonald's combined!**

Payday loans carry annual interest rates of **400%**, and the industry relies for 90% of their revenue on borrowers who repeatedly renew or re-open their payday loans. The typical borrower ends up paying about \$500 in interest for a \$300 loan, and still owes the principal! State policymakers can do more to help protect the low-income, working families and individuals with no credit histories who are disproportionately targeted by predatory and payday lending schemes.

#### **Strategies for addressing payday lending at the state level can include:**

- enacting and enforcing consumer protection laws
- regulating consumer credit counseling and how credit agencies calculate and use credit scores
- capping interest rates
- prohibiting payday loans through small-loan interest rate caps and anti-usury laws

For more information on predatory lending, visit <http://www.womeningovernment.org/familysuccess>

