



Dear Legislator:

Thank you for your willingness to consider Senate Bills 842 and 843, amending Michigan's Regulatory Loan Act and Michigan's Consumers Services Act.

These bills have elicited a lot of false and inflammatory statements. These bills only clarify what we believe is already allowed in statute:

The ability to offer subprime borrowers longer term installment loans as a competitive alternative to traditional payday loans at a rate that allows financial retailers to afford to serve people who are greater credit risks. Most importantly, it ensures that borrowers with poorer credit will have access to capital after the CFPB rules take effect next year.

Our industry is the last best hope for customers who need money but can't get it from a bank or credit union. Neither will lend to our customers. We are regulated and operate under Michigan law. The only alternatives are unlicensed or illegal sources. If you act, hard working Michigan citizens will still be able to borrow from a Michigan regulated legal and licensed lender...and if they cannot repay for whatever reason, no one shows up to take a car or a house. If not for our industry, the only option for hundreds of thousands of working Michiganders is the unregulated market with rates many times higher than those permitted under Michigan law...or loan-sharks.

Our industry performs a vital service to the public. It is a service no other financial institutions can or are willing to perform:

1. Make loans to large numbers of citizens who, because of poor credit or tragic personal circumstances have credit scores that disqualify them for traditional loans.
2. Make loans with Michigan regulated private capital.
3. Make loans to underserved and hard working Michigan citizens without collateral.
4. Help hard working Michigan citizens get on the path to credit restoration by taking out loans that have level payments, a \$0 payoff, and, if paid over 6 months or more, can be positively reported to credit bureaus.

We look forward to working with you on Senate Bills 842 and 843 to keep capital flowing to Michigan citizens in need.