

# You Can Vote To Stop Predatory Lending

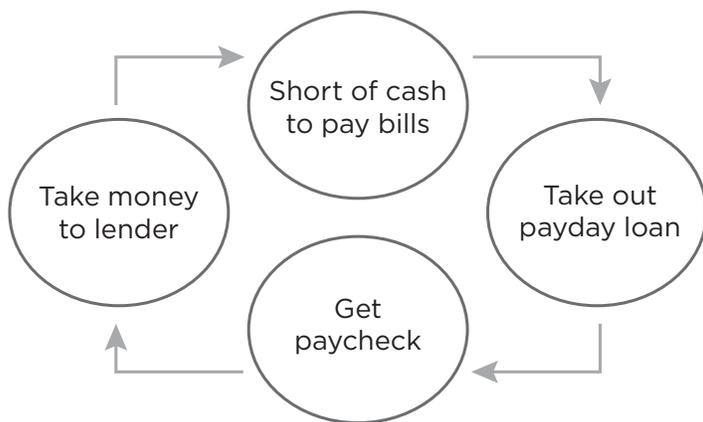
## Vote NO on Amendment U.

It would change our state constitution to protect predatory lenders by blocking efforts to limit their high interest rates and fees. Its 18% rate limit is **fake**, because it doesn't limit actual written agreements. **It would cancel the 36% limit in Initiated Measure 21.**<sup>1</sup>

## Vote YES on Initiated Measure 21.

It puts **a real 36% LIMIT** on payday loans, car title loans and installment loans.<sup>1</sup>

### The Debt Cycle



Payday loans can cause people who need short-term cash to get trapped in endless payments due to the enormous interest rates being charged. More than 80% of payday loans are rolled over or followed by another loan within 14 days.<sup>2</sup>

The state of South Dakota places no limit on interest rates for payday loans. **In South Dakota, the average interest on payday loans is 574%; on auto title loans, the average rate is over 300%.<sup>3</sup>**

### Who's Affected by Predatory Loans?

**THE ELDERLY and ANYONE WITH A REGULAR INCOME:** A South Dakota woman borrowed \$1700. Every two weeks she pays \$100. After two years, "They just told me I still owe \$1100."<sup>4</sup>

Ms. M. took out an auto title loan on her van, \$450. She has a payment schedule: \$135 a month for two years. She needs her van to take her special needs grandson to treatments several times a week.<sup>4</sup>

**VETERANS:** Congress, at the request of the Department of Defense, limited the interest rate on loans to active-duty military members and their families to 36% APR (Annual Percentage Rate)<sup>5</sup>, which solved the problem of loan sharks setting up business around military bases.<sup>6</sup> This law helps active duty, but it does not protect veterans. They need us.

**CHILDREN:** Anonymous young man: "It took my whole childhood for my mom to pay off her loan. And, we were hungry."<sup>4</sup>

**EMPLOYEES:** Former employee: "[One loan client] was not going to be able to buy her medicine anymore. I couldn't stand it any longer. I quit the next day."<sup>4</sup>

# Vote NO on Amendment U.

- It would change our state constitution to protect predatory lenders by blocking efforts to limit their high interest rates and fees.
- Its 18% rate limit is **fake**, because it doesn't limit actual written agreements.
- **It would cancel the 36% limit in Initiated Measure 21.**<sup>1</sup>

# Vote YES on Initiated Measure 21.

It puts **a real 36% LIMIT** on payday loans, car title loans and installment loans.<sup>1</sup>

## You Can Help Bring 'Good News to the Poor'<sup>7</sup>

1

Be sure you are **registered to vote**.  
Check with your county auditor.

2

Vote **NO on Amendment U** and  
Vote **YES on Initiated Measure 21**.

3

**Explain** these two opposite ballot  
measures to your friends and neighbors.

4

**Make a sign** for your window or yard.

5

Learn more and make a donation at  
**CAPHERATESD.COM**

**NO on Amdt. U**  
**YES on I.M. 21**

**CAPHERATESD.COM**

“ If your brother becomes poor...Take no interest from him or profit, but fear your God, that your brother may live beside you. You shall not lend him your money at interest, nor give him your food for profit.” (Lev. 25:35-37)

 [www.EndUsurySD.org](http://www.EndUsurySD.org)

 **Facebook: End Usury SD**

 [EndUsurySD@gmail.com](mailto:EndUsurySD@gmail.com)

When you make copies of this flyer to share with the public (Please do.), you must let us know your cost (says state law).

Paid by NO on 'U'sury, YES on 21. P.O. Box 143, Sioux Falls SD 57101

### Sources

1. Ballot information, South Dakota Secretary of State and South Dakota Attorney General
2. Consumer Financial Protection Bureau, "CFPB Data Point: Payday Lending," March 2014, [http://files.consumerfinance.gov/f/201403\\_cfpb\\_report\\_payday-lending.pdf](http://files.consumerfinance.gov/f/201403_cfpb_report_payday-lending.pdf)
3. Pew Charitable Trusts, "How State Rate Limits Affect Prices," showing that the average Annual Percentage Rate charged in South Dakota is 574%. [http://www.pewtrusts.org/-/media/legacy/uploadedfiles/pct/content-level\\_pages/fact\\_sheets/stateratelimitsfactsheetpdf.pdf](http://www.pewtrusts.org/-/media/legacy/uploadedfiles/pct/content-level_pages/fact_sheets/stateratelimitsfactsheetpdf.pdf)
4. Interviews with South Dakotans as they signed petitions for Initiated Measure 21
5. Center for Responsible Lending, "2013 State of Lending Report: Payday Lending Abuses and Predatory Practices," <http://www.responsiblelending.org/state-of-lending/reports/10-Payday-Loans.pdf>
6. Payday Lending - National Civil and Human Rights Coalition Closes Year by Calling for Increased Oversight of Payday Lenders, [www.civilrights.org/press/2014/payday-lending-resolution.html](http://www.civilrights.org/press/2014/payday-lending-resolution.html)
7. Luke 4:16, Isaiah 3:15

On behalf of low-income South Dakotans, Bread for the World - South Dakota, Presentation Sisters of Aberdeen, National Association of Social Workers - South Dakota Chapter, 2016