

**HOUSE OF REPRESENTATIVES
COMPILATION OF PUBLIC COMMENTS**

Submitted to the Committee on Judiciary & Civil Jurisprudence
For HB 2266

Compiled on: Wednesday, March 29, 2023 8:59 PM

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Hearing Date: March 29, 2023 8:00 AM

Stephanie O'Banion, President/CEO
United Way of Central Texas
Temple, TX

My name is Stephanie O'Banion and I am the President/CEO of the United Way of Central Texas representing 7 counties. I am submitting comments in OPPOSITION HB 2266. It protects predatory lenders at the expense of Texans and local economies. HB 2266 would effectively void beneficial payday and auto title lending ordinances adopted in 49 Texas cities, leaving Texans with no meaningful protections against abusive lending practices.

Payday and auto title loans are harmful for Texans and pull financially vulnerable families and individuals deeper into poverty. Currently, these loans:

- Average 200% to 500% APR, with a \$500 loan often costing \$1,100 to over \$3,000 to repay.
- Hurt our local economies by causing a loss of \$1.6 billion in annual gross product and the equivalent of 2,100 jobs per year,
- Have, in the past decade, led to over 374,000 Texans losing a car to repossession, harming individuals, families and small businesses, and
- Treat vulnerable Texans as cash cows, charging Texans 2 to 5 times the rates charged in other states where these loans are legal.

Thank you for your time and please oppose HB 2266 and allow us to continue to protect our citizens from this predatory industry.

Heather Mustain, Rev.
Wilshire Baptist Church
Plano, TX

I am writing to oppose HB 2266. It protects predatory lenders at the expense of Texans and local economies. HB 2266 would effectively void beneficial payday and auto title lending ordinances adopted in 49 Texas cities, leaving Texans with no meaningful protections against abusive lending practices. Thank you for your time.

Judy Ward
Self/financial advisor
RICHARDSON, TX

Please do NOT move this bill forward. Currently 49 Texas cities have passed ordinances to rein in predatory lenders in the total absence of state legislation. This bill will subject those cities amounting to 11 million Texas citizens to being sued by these lenders in hopes over overturning those ordinances. Local ordinances are the only things offering citizens even the limited protection they currently have.

My cousin in the Sherman/Denison area got involved with a number of predatory lenders and it took years for her to get out from under these loans. Her then teenage daughter would call me on occasion when a collector was outside their home demanding money and would not leave until this teen scrambled to find whatever cash she could in their house to give the collector to make him finally leave. This happened far more than once. While not being the only reason, I believe that the financial mess and strain on this cousin was in large part responsible for her attempted suicide--which thankfully failed. However, her mother ended up declaring bankruptcy, again in large part from trying to get my cousin out from under these horrible loans. It was truly a family tragedy.

Since the state chooses not to act, the only protections any Texas citizens have are currently the local ordinances to better control predatory payday and auto title lenders. Please do NOT undo what little good has been done in this arena. Families are depending on you to represent them as individual Texas taxpaying citizens. Moving this bill forward only serves to help these lenders who consistently prey on those who can least afford it. Please remember who you are in Austin to represent--those individuals who have placed you there.

Tom Whiteside
self, Financial Counselor
Austin, TX

I vehemently oppose HB 2266. It protects predatory lenders at the expense of Texans and local economies. HB 2266 would effectively void beneficial payday and auto title lending ordinances adopted in 49 Texas cities, leaving Texans with no meaningful protections against abusive lending practices. To add insult to injury, predatory loan businesses that are successful in meeting the low bar set in the bill could collect attorney's fees from taxpayer funds. Payday and auto title lending ordinances were adopted because faith communities, nonprofit organizations, and other community leaders came together to address the problem of payday and auto title lending in their community, a problem that the state has refused to tackle. The Perryman Group estimates that payday and auto title loans have caused a decrease in business activity in Texas of an estimated -\$1.6 billion in annual gross product and -21,304 job-years—an average of more than 2,100 jobs per year (including multiplier effects) over the last 10 years.

Jessica Browder
Self
Austin, TX

I am writing to express my opposition to HB 2266 which would expand predatory payday and auto loan programs that often result in over double the initial loan amount and repossession of vehicles.

Taylor Trevino
self - organizer
Austin, TX

I urge Representatives to oppose this bill.