

February 27, 2009

News Updates From SC Appleseed

***Payday Lending Heads to the Senate**

***National Stimulus Comes to SC**

***SC Appleseed Staff on the Go**

Payday Lending at the SC Statehouse

The Payday Lending industry made its move early this legislative session with the filing by Speaker Bobby Harrell (H 3301) of the industry's payday loan bill. The legislation essentially returns our state to what the General Assembly thought it was passing a decade ago: one payday loan at a time - except that they can lend twice as much (\$600) at a time. While this is a positive move after the industry at last ignored the intent of the legislature by making multiple loans to borrowers with numbers sometimes as high as 15 to 20 loans per borrower, it does not address the problem of serial borrowing. Because the industry needs to have constant watch, the one loan at a time from all lenders will be enforced by a statewide database. Unfortunately with the doubling of the loan amount, borrowers are guaranteed to be lured into the debt trap of borrowing and repaying just to keep them afloat.

What the proposed change does not do is provide underwriting criteria that would ensure a family taking out a payday loan has the ability to repay at the end of the two week period, and does not end up entering into an immediate loan after repayment because the loan payment used all available income to live on for the pay period. Unlike last year's bill, which passed the Senate, H3301 does not: 1) provide a cooling off period between loans; 2) limit borrowers to 25 % of their gross income for the term of the loan; 3) prohibit payday lenders from electronically debiting borrowers' checking accounts 4) cap number of loans.

The industry's only offer to help consumers is a completely undefined Extended Payment Plan that is required before a company can be licensed. Any plan that the Board of Financial Institutions approves will suffice, and there is no requirement that plan actually be offered to make economic sense for the consumer. The Board's history is to enforce the law at its minimum, not to push for protecting consumers.

Fortunately a number of pro consumer bills have also been filed by numerous senators that adopt the language proposed by the SC Senate in 2008.

The bills will be heard on Wednesday, March 4, 2009 @ 11:00 am in room 105 Gressette by the Banking and Insurance subcommittee. The members of this committee are:

[Senator Hayes, Chairman](#)

[Senator McConnell](#)

[Senator O'Dell](#)

[Senator Ford](#)
[Senator Alexander](#)
[Senator Malloy](#)
[Senator Matthews](#)

Please let the subcommittee know that it should adopt the strong pro-consumer language that protects borrowers from abusive lending that was passed by the SC Senate last year on two separate occasions. Let them know that the majority of South Carolina's citizens want to protect consumers and not settle for the industry supported legislation that was passed out of the House of Representatives.

Update on South Carolina and Federal Recovery Funds

South Carolina's governor, a vocal opponent of federal funds in a state with one of the nation's highest unemployment rates, has decided to take the stimulus money to increase weekly unemployment checks by \$25. We commend the governor for putting the need of thousands of South Carolina unemployed workers and ensuring welcomed relief for those who have suffered job loss due to no fault of their own. In addition the recovery package allows for payment of up to 65% of these newly uninsured workers insurance premiums through COBRA which is a positive step towards helping these workers keep themselves from not only being unemployed, but uninsured.

The Recovery bill also allows for additional money for modernization of the unemployment benefit delivery system and extending benefits for the chronically unemployed. This would require policy changes to our UI system that would include changing how we calculate UI eligibility and providing benefits to part time employees who lose their jobs. Unfortunately our Governor is stating he will not take these positive steps to help ensure these millions of dollars come to South Carolina to help update the delivery systems used by the Employment Security Commission and put needed dollars in the homes of the newly and chronically unemployed. SC Appleseed will work with national and local partners as well as state policy makers in an effort to reverse this decision.

Attorneys On the Go...

Invitations to Think Tank and Conference Panel

Appleseed Justice is honored that our attorneys are singled out for their knowledge and abilities which groups around the nation see as valuable resources of information.

Staff attorney, Tammy Besherse was invited to participate in a think-tank seminar held by the Drum Major Institute in New York City this week.

The Drum Major Institute for Public Policy is a non-partisan, non-profit group generating the ideas that fuel the progressive movement. From releasing nationally recognized studies of the increasingly fragile middle class to showcasing progressive policies that have worked to advance social and economic justice, DMI has been on the leading edge of the public policy debate.

discussing immigration and its effect on the middle class, this think-tank event focused on problems and possible solutions to the economic issues from all perspectives.

Urban Major Institute will use the information gathered from the focus groups is to design realistic policies which can address the economic needs of the middle class and our new immigrants that can be used to guide lawmakers.

Attorney II, Clanitra L. Stewart spoke at the 2009 HUD/NCHADA Roundtables, in NC on the federal public and subsidized housing protections provided in the 2005 reauthorization of the Violence Against Women Act. The focus of her session was to educate representatives from public housing authorities on the rights that victims of domestic violence, dating violence, stalking, and sexual assault have to keep their housing in certain circumstances where evictions could ordinarily be sought.

Among other protections, the federal law protects the victims of these crimes from eviction or loss of housing assistance if the reason for the eviction or loss is due to the tenant's status as a victim. The law also prevents public housing authorities from denying an applicant's request for housing based on the applicant's status as a victim, and authorizes public housing authorities to alter the rental lease to remove the perpetrator of the violence while keeping the victim stably housed.

Director, Sue Berkowitz, Esq. represented South Carolina Appleseed Legal Justice Center at the national board of directors' meeting and center executive directors council meeting in Atlanta, GA., February 19-20th 2009. Also attending was SC Appleseed's Board Chairman, Jack Barnes.

National Appleseed is a non-profit network of 16 public interest justice centers in the U.S. and Mexico, Appleseed is dedicated to building a society where opportunities are genuine, access to the law is universal and equal, and government advances the public interest.

About Us...

South Carolina Appleseed Legal Justice Center is dedicated to advocacy for low income people in South Carolina to effect systemic change by acting in and through the courts, legislature, administrative agencies, community and the media, and helping others do the same through education, training and co-counseling.

South Carolina Appleseed Legal Justice Center

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