SOUTH CAROLINA appleseed LEGAL JUSTICE CENTER

EASY IN, IMPOSSIBLE OUT:

How High-Cost Lending Devastates South Carolina Communities

ANNIE E. CASEY FOUNDATION

Thank you to the Annie E. Casey Foundation for funding this report through its Southern Partnership to Reduce Debt. The goal of the Partnership is to reduce household debt in communities of color throughout the South. The Annie E. Casey Foundation is devoted to developing a brighter future for millions of children at risk of poor educational, economic, social, and health outcomes. Since 1948, the Annie E. Casey foundation's efforts have translated into more informed policies and practices and yielded positive results for larger numbers of kids and families.

SOUTH CAROLINA APPLESEED LEGAL JUSTICE CENTER

For over 40 years, the South Carolina Appleseed Legal Justice Center has advocated for justice, fairness, and equity at the intersection of the statehouse, courthouse, and South Carolina communities. Our goal is to influence policymakers to ensure the law is fair, to educate the public and their advocates about the law, and to assist attorneys in bringing systemic litigation where the law is unfair. SC Appleseed has advocated for consumer protections in South Carolina since its inception, winning numerous victories, most notably the High Cost Mortgage and Consumer Loan Act of 2003, which SC Appleseed helped write and pass through the state legislature.

Interviews: Lorena Hildebrandt
Historical analysis and maps: Dr. John Ruoff
Data and policy recommendations: Sue Berkowitz, Esq.
Report: Joe James
Editing: Bridget Owens, Esq.

In 2019, South Carolina Appleseed Legal Justice Center partnered with The Cooperative Ministry, Origin SC, Midlands Fatherhood Coalition, Goodwill of Columbia, Darlington County Community Action Agency, Darlington County Habitat for Humanity, and Wateree Community Actions, Inc. to survey and interview South Carolinians affected by high-cost loans. For purposes of this report high cost loans can be consumer installment high-interest loans, auto title loans, and payday loans. Surveys and interviews were concentrated in Charleston, Darlington, and Richland County. Of more than 200 survey respondents, nineteen completed in-depth interviews about their experiences with high-cost loans. The interviews took place following a series of townhall meetings that were coordinated with partner groups such as the South Carolina Conference of the NAACP, the Ruoff Group, and the SC Christian Action Council. These townhalls were held in Columbia, North Charleston, Darlington, Georgetown, Rock Hill, and Greenville. The interview respondents' names have been changed to protect their privacy.

THE DEBT TRAP

"It's like robbing the poor." [1]

Throughout its history, the state of South Carolina has tried to protect borrowers from predatory lenders. In 1719—only 39 years after the Commons House of Assembly was founded—South Carolina passed its first law on "excessive usury."[2] The definition of that term has been debated for the last three centuries. Since the 1950s, the state has regulated small loans, but the usury cap was completely eroded by 1982. In recent decades, every time the state has passed a significant consumer protection law, lenders have found creative ways to circumvent the protections and extract excessive fees and interest rates from borrowers. These practices have resulted in a thriving small-loan, high-cost-installment lending industry that targets low-income borrowers in South Carolina.

"The interest rate is so high it's like every time you make a payment it looks like it's not going down, it looks like it's going up!" – Eda

One of the problematic lending models arising in the 1990s was "cash advance" or "deferred presentment," known most commonly as "payday lenders." Payday lenders loan money in exchange for a "fee," and the borrower writes the lender a personal check for the amount borrowed plus the fee. The lender promises not to deposit the check for the term of the loan, between 14 and 31 days. In South Carolina, payday lenders can only charge a borrower up to $15 per $100. So, if someone borrows $100, the loan will be for $115; borrowing $200 would cost $230, and so on. Even though payday lenders call this charge a "fee," the real cost to borrow money for two weeks is equivalent to 391 percent Annual Percentage Rate (APR). Borrowers can borrow a maximum of $550 for a payday loan, which after the term of the loan, either two weeks or one month, works out to owing the lender $632.50. This maximum was increased to $550 from $300 per contract in 2009 after the South Carolina legislature limited a consumer to one loan at a time.

Despite the unfavorable terms of these short-term loans, many consumers began borrowing multiple per year. According to data collected for the state by Veritec Solutions, 56 percent of South Carolina payday loan consumers borrow more than five times per year, 29.8 percent borrow more than ten times per year, and 11 percent borrow more than 15 times per year.[3] In 2018, there were 687,855 loans given to 86,112 borrowers in South Carolina, averaging roughly 8 loans per borrower. They paid roughly 44.1 million dollars in fees.[4]

WHAT THEY'RE SAYING ABOUT HIGH-COST LENDING:

Rev. Brenda Lynn Kneece, Executive Minister, South Carolina Christian Action Council Inc.

"The collective witness of the Christian community is that interest, when permitted, should be regulated for the common good, practiced with equity and charity, and allowable only when the transaction benefits the borrower. Predatory lending is a willful pattern of abusive loans and practices which violates this witness and disproportionately affects the most vulnerable in society. Love of neighbor requires us to pursue justice in the marketplace as well as the courthouse."

THE NEW HARM OF TITLE LOANS

"You'd probably come out better being a prostitute and keeping your car. At least you've got your car, your title." [5]

Auto title loans were another troublesome lending model that first appeared in the 1990s. Claiming that the "law" prohibited them from making loans of less than $601, these so-called "601 lenders" originally made one-month loans at 25 percent interest per month (300 percent APR) and used the borrower's car title as collateral. South Carolina auto title lenders made this claim because loans below $601 were capped at much lower interest rates (60-70 percent APR) by the SC Consumer Finance Act. Like most consumers with low incomes, title loan borrowers who lack $600 at the beginning of the month usually also lack $750 at the end of the month. Similar to payday lending, the auto title lending business model operated on the borrower becoming trapped in the loan, paying off the accrued monthly interest of $150 and renewing, or "flipping," the underlying loan month after month, until the consumer eventually defaulted, at which point the lender repossessed the car.

"It's not even for stuff like cable or anything like that, it's just for the major things that they would cut off. Electricity, gas, and the need for food, or to help towards getting up the mortgage money."
– Paula

In South Carolina, this predatory model has been under scrutiny since 1998, when testimony before the Joint Legislative Study on Consumer Finance built a case for improved regulation of auto title lenders. The Committee heard from Shirley Lloyd of Columbia, who had borrowed $1,500 through two successive loans, repaid $2,748, and still lost her 1992 Nissan to repossession while still owing $2,000.[6]

In 2003, the South Carolina High-Cost and Consumer Home Loans Act created important protections for all borrowers. The Act also regulated short-term auto title loan lending for the first time in South Carolina, allowing only six renewals of title loans up to 240 days, after which interest would stop accruing while the loan was paid off. Unfortunately, the title lending industry circumvented these protections by changing their lending model, making one- and two-year loans at 300 percent APR with payments that were often more than $400 a month. For example, a loan of $2,000 over two years would result in a total payout of $10,000. The Center for Responsible Lending estimates that title lending takes more than 186 million dollars a year from South Carolina consumers.[7]

These costs of auto title loans go far beyond just dollars and cents. South Carolina is a rural state where most people use a car to get to work, drive to school, shop for groceries, or visit the doctor. In a state with many areas of low population density and practically nonexistent public transportation, a car is the key to economic mobility. The risks of title loans are uniquely harmful because of the devastating effect of car repossession on South Carolina workers and families.

Many borrowers who had their cars repossessed recount traumatic stories of losing family belongings during the repossession process. One woman, "Dana," described grocery shopping with her family, only to come out of the store to see their car gone. Security footage revealed a tow truck taking away the vehicle:

"Once they verified it was my vehicle, and they already had it up on their truck, then they took it. With all my kid's belongings, like book bags, one of my boys was in band. I have a daughter who's in dance, they took all the uniforms, materials, everything. They took it. Schoolwork, book bags. Everything was in it… We didn't get anything back." [8]

WHAT THEY'RE SAYING ABOUT HIGH-COST LENDING:

Brenda C. Murphy, President, SC State Conference, NAACP

"Our position is we don't think they should exist as they currently exist. The interest rate is just too high. Our legislators should consider a bill that would target these businesses in such a way that lenders would have to lower their interest rate."

A DISASTER IN ALL BUT NAME

"That was the only option that I had." [9]

When people with low income pursue a title or payday loan, it's not because they simply want to borrow money for no good reason. Usually, it's because they have a bill that they need to pay but have no way of paying due to low wages, inadequate social assistance, or unemployment. They need to keep the lights on, put food on the table, buy gas, or purchase medicine. Some face eviction or foreclosure. According to our survey, roughly 66.7 percent of respondents reported borrowing a short-term loan to pay a bill.[10]

One single mother, "Eileen" put it this way: "Taking out the payday loan, that was more me taking out the loan to get groceries and utilize it for gas until my next paycheck because I'm not bringing in that much money."[11]

For those that can work, many live paycheck-to-paycheck, limiting their ability to cover both fixed and variable expenses each month. An unanticipated expense, perhaps related to extreme weather, car trouble, or an untimely illness, can easily plunge a low-wage family into financial ruin.

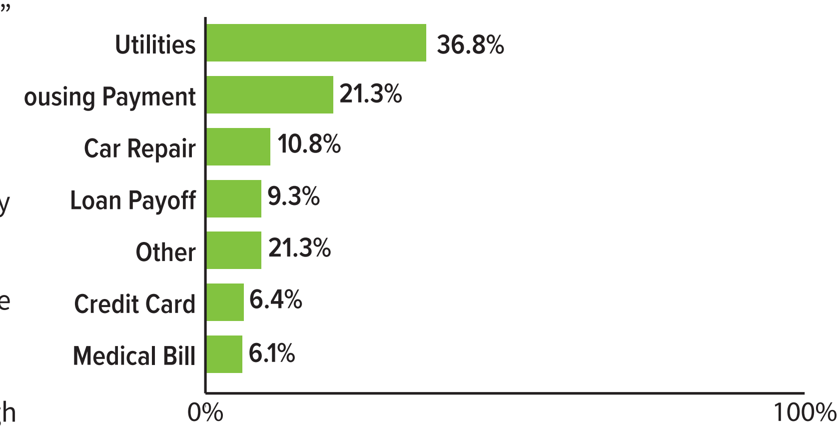
After losing her job, one single mother, "Cassandra" found it extremely difficult to cover her expenses with limited unemployment assistance: "I was getting unemployment, but it was a small amount every week, probably about a hundred dollars, it was real small. So, I ended up getting behind on my bills and I had to take out a title loan."[12]

Those who have been forced to leave the workforce unexpectedly or who live on fixed incomes, like Social Security or disability benefits, struggle with the impossible conundrum of low incomes and high costs. Another young mother, "Laura," explained her situation: "My rent is $600, I get $800 for every two weeks, that one check I only have a hundred left over."[13] Borrowers like this mother described living paycheck-to-paycheck, limiting their ability to cover even monthly fixed expenses like childcare, let alone variable expenses like utilities or car maintenance. According to one borrower, "Paula": "It seems you're just digging a bigger hole. It seems like you're putting out fires that are just going to reignite because even though you get this paid, the next month you've still got your mortgage and your other bills to try to pay and you just seem to never get ahead."[14]

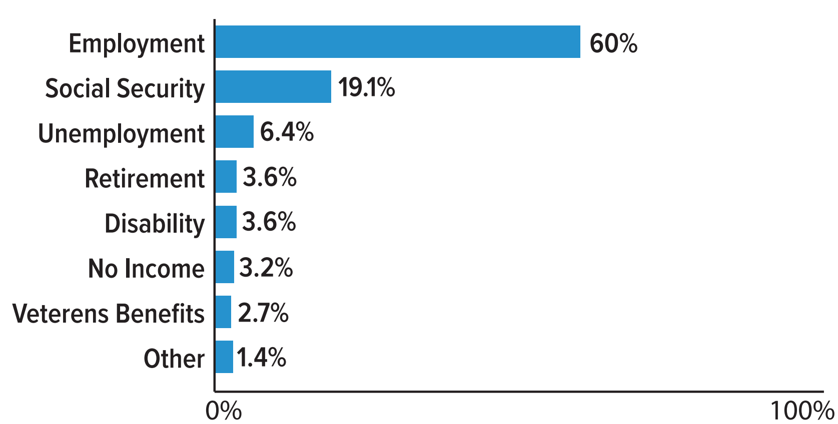
Having a low income and high costs is a precarious, vulnerable situation, in many ways similar to being a victim of a natural disaster. Like some communities in the wake of natural disasters, where limited resources exist to help them, turning to a price gouger or payday lender is the best of many bad options. As one respondent, "Queta" put it: "It was the last resort, that was the only option I had. I had no way of paying everyday bills. I had no way of getting around."[15]

It's against the law to price gouge and exploit during a natural disaster, but it's completely legal to price gouge credit to vulnerable low-income people. Like water that's been price gouged during a natural disaster may prevent someone from being dehydrated in the short-term, payday and title lending keeps someone from complete financial disaster in the short-term. But over the long-term, payday and title lending causes more harm than good for the most vulnerable, just as price gouging does.

RESPONDENTS NEEDED TO BORROW MONEY TO MEET THE FOLLOWING NEEDS (189 RESPONDENTS):



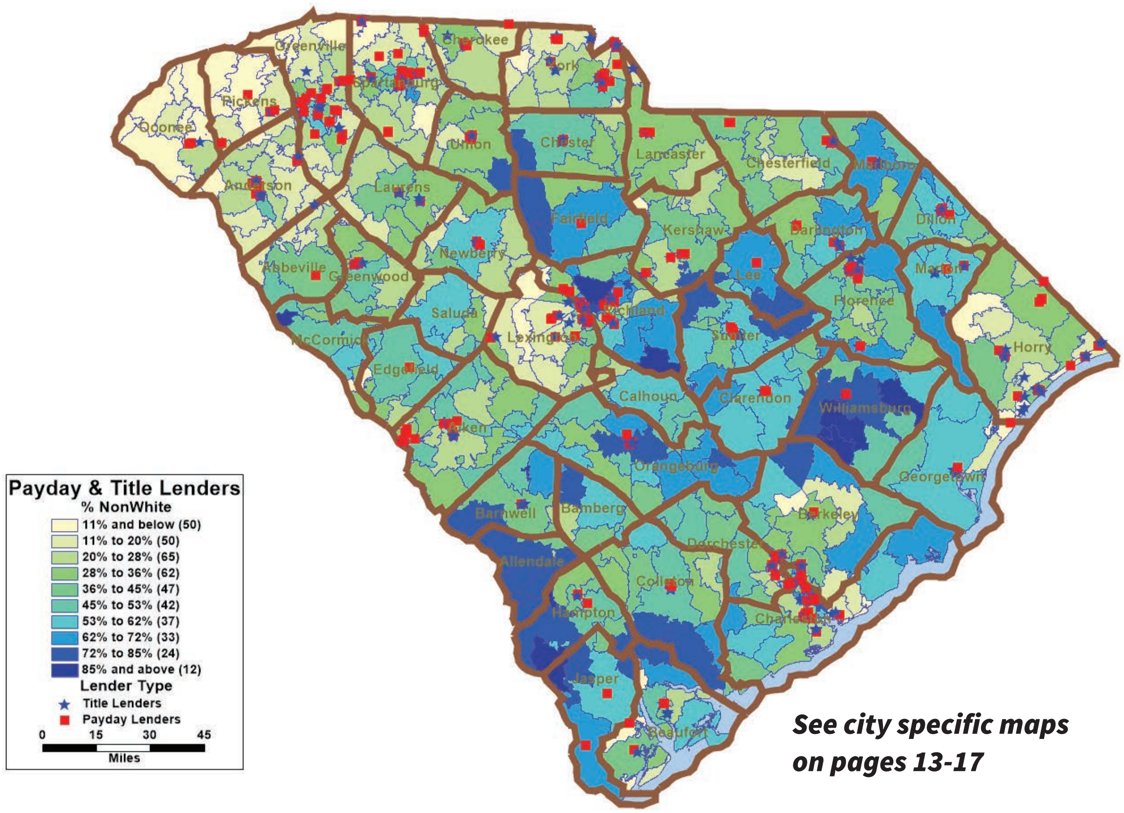
RESPONDENTS SOURCE(S) OF INCOME (194 RESPONDENTS)



TARGETING THE AFRICAN AMERICAN COMMUNITY

"They prey on people like me…"[16]

In South Carolina, not all groups are targeted equally by predatory lenders. One glance at the locations of many of these lenders makes clear that they are clustered in communities of color. In areas such as Orangeburg, Charleston, Aiken, Columbia, Florence-Darlington, and Georgetown-Williamsburg, where people of color constitute a substantial proportion of the population, predatory lending institutions are prominent. Conversely, in predominately white areas of South Carolina, these lenders are noticeably absent.



See city specific maps on pages 13-17

Payday and title lenders are widespread in communities of color and in communities where families are living near or in poverty. In some cases, lending locations are right next to where those with low incomes pay their bills, providing easy access to cash in desperate times. Many of the borrowers interviewed for this report described that these lenders are deeply ingrained in the community, which was convenient when money was needed. According to "Miranda:" "They're actually down the street from my mom's house, so I ride past it on an every-other-day basis, so when I needed to come up with that type of money, in that short period of time, I just went in there and spoke with them about it."[17]

"They're worse than loan sharks, they're looking to triple their money." – Vanessa

Because loan companies saturate these borrowers' areas, the lenders appear accessible, normal, and approachable. In many cases, potential borrowers are targeted directly. Laura described being targeted directly by lenders at her low-income job: "I'm from [rural Midlands town] and they have several finance companies. At the time I was working at a [chain drugstore] and a lady that worked at one of the finance companies used to come into my work and she said, 'come on in and see me.' [T]here's no money in [the town], and she gets all the business from residents." [18]

WHAT THEY'RE SAYING ABOUT HIGH-COST LENDING:

Reverend Deacon Dianna Deaderick, Executive Director Fresh Start Ministry
Co-President MORE Justice

"The faith-based community, we're mandated, by scripture, to do justice, love mercy, walk humbly with our god. And we do mercy stuff all the time, but the justice stuff is harder."

AN INDUSTRY OF EXTRACTION

"They're really not there to help you, they're there to make a killing. Not just a profit, but a killing."[19]

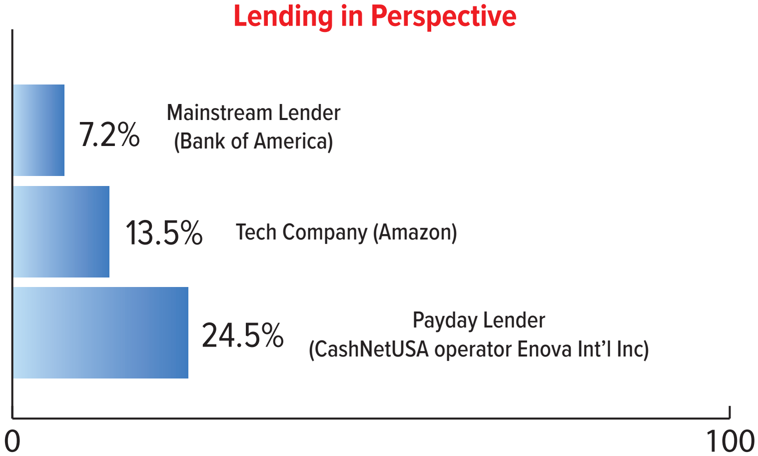
Defenders of the payday, title loan, and consumer finance industries claim that the only way their business model can be profitable is with exorbitantly high fees and interest rates. The evidence tells a different story.

By examining high-cost lenders' returns on equity (ROE), which measures the profitability of a business for its owners, we can gather a sense of the industry's profitability history and potential. Many of the high-cost lenders operating in South Carolina are privately owned and their financial data is not publicly available; however, this information is available for publicly traded companies. To name two examples, the high-cost consumer finance lender World Acceptance Corporation has averaged an 18.5 percent ROE annually over the last five years and online payday operator Enova International Inc. has profited at a 24.5 percent annual rate of return over the same period. [20 21]

"Sometimes I go without medicine! Sometimes I go without food! Sometimes I go without clothes. There's always something you're going to go without." – Eda

The parent company of the South Carolina payday lender Advance America, Grupo Elektra SAB de CV, made a 23.6 percent ROE last year.[22 23] When you compare those profitability rates to credit card companies like Capital One (a five-year average of 8.1 percent ROE), banks like Wells Fargo (12.1 percent) and Bank of America (7.2 percent), and tech companies such as Amazon (13.5 percent) and Alphabet (14.5 percent), the defense by high-cost lenders that they must charge high interest rates to stay afloat just doesn't make sense.[24 25 26 27 28] On the contrary, exorbitant interest enables high-cost lenders to profit at substantially higher rates than some of the largest mainstream lenders and tech giants. They do this by extracting resources from people living with low incomes.

Profitability of High-Cost Lending in Perspective



Meanwhile, the loan payment terms are impossible to afford for some borrowers, which leads to reborrowing just to pay the initial loan. This reality comes at a shock to many borrowers, as many of them don't understand the loans they take out in the first place. As "Vanessa" explained: "You don't sometimes ask the very important questions or read all the way through things. Especially when you're in a bind and your back is against the wall and you're desperate and these people are throwing you what you feel at the time is a life preserver. You're not in a position to really quibble, so you take what's available."[29]

Many borrowers go to extreme measures to make payments, picking up a second job, selling a deceased loved one's belongings, denying themselves food, medicine, heat, and other needs. As one single mother, "Rachel," described it:

"You have to sacrifice something; something has to go. And for us, nine times out of ten, it was food. Only time my son would eat was when he got to school. Only time I would eat maybe was if I went to my mom's house or at work. Other than that, I just didn't have the funds. Because I knew that that had to be paid. That was not a bill that could be sacrificed because if I did, I'd lose my vehicle. I need my truck to get back and forth to work. Without my truck, I can't make the money that I can. I work at night shifts. Buses don't run after certain times at night." [30]

Borrowers are not just losing money from these loans; they are also losing peace of mind. While many interviewees experienced initial relief when taking out a payday or title loan, those feelings are short lived.

When first consulting these lenders, many borrowers are told about the benefits of these loans. Some borrowers described being spoken with like friends. But as the expenses eventually mount, that relationship can turn nasty. Lenders sometimes contact borrowers' home and work, visit places of work, or even contact family members in a threatening manner. Rachel experienced this:

"They called; they would threaten you: 'We haven't received your payment yet.' Sometimes it wouldn't even be a whole day. The payment would be due that day, but like I said, I work at night... [T]hey would call my other family members, even though they had my number, my phone was never off. They would call my other family members, leave messages with them, harass them: 'Call me'…To me they're like just governed bullies. They don't care to the fact that you're just a few days behind. They want their money and they feel they can get it any kind of way that they have. Even if they have to threaten you." [31]

Rachel's experience is typical. Of the survey respondents that SC Appleseed talked to, 70 percent reported being called multiple times a day when they fell behind on a loan payment.[32] Another 65 percent reported lenders calling family members after the borrower fell behind on a payment.[33]

Many borrowers are already experiencing stress due to financial challenges, but the additional stresses inflicted upon them by these companies often proves unbearable. Some borrowers lose sleep due to this stress. Eileen described the impacts of having the loan hanging over her: "It was horrible. Because it was stressful, losing sleep because I'm worried about money and I'm worried about eating, and I'm worried about how I'm going to get to work." [34]

These borrowers must dedicate an enormous amount of their time, energy, and income to paying off a rapidly expanding debt to a lender that has long since returned a profit on the initial loan. This lender has nothing to fear financially; they have a far better return on investment than many banks and tech companies. This relationship is fundamentally predatory.

MANY POSSIBLE SOLUTIONS

"If they can't treat people right and can't get people a better interest rate or something like that, they need to close them down!" [35]

South Carolina must do more to protect its citizens from predatory lending practices that trap people in a never-ending cycle of debt and financial ruin. It is practically impossible to keep up with high-cost payments when a borrower must pay more money than they have on hand after paying their basic living expenses. These borrowers are faced with only one option: to constantly reborrow the same debt, paying only the accrued interest charges month after month. To stop this from continuing, South Carolina must pursue a multi-pronged solution.

"My question would be, what do they do with all the extra money that they're getting back from us?" – Tonya

Improve Enforcement and Protections:

South Carolina already has an "ability to pay" standard law in the unconscionability section of the SC Consumer Protection Code.[36] This law prohibits lenders from knowingly loaning money to borrowers who cannot afford to repay the loan. State regulators need to aggressively enforce this law so that it provides meaningful protection to individual consumers. The law should also be strengthened, to better guard against harmful repeated reborrowing. A borrower's inability to repay their first loan should be conclusive evidence that they will not be able to repay subsequent loans within a reasonable timeframe. South Carolina should implement a conservative limit on the amount and number of subsequent loans that can be extended to low-income borrowers. If that limit is reached, then the loan should be frozen, and payments should then be restructured to allow the borrower a timely and affordable way to finish the contract. This is the only meaningful way to guard against the debt spiral that so many consumers find themselves facing from loans they cannot afford to pay.

South Carolina also has laws on the books protecting people from repossession abuse. Those also need to be better enforced and strengthened. We need to allow consumers to bring their claims as class action lawsuits when it is clear that a bad actor is harming many. Litigating a small case is just as costly as a large case but is economically impractical for individual people with less income.

More Data to Better Understand the Risks:
To make the best-informed policy, we must understand the economic risks of high-cost title loans. We believe that title loans create more social and economic problems than they solve, and that additional research will confirm this understanding. Additionally, the reports currently issued by the South Carolina Board of Financial Institutions should include more meaningful data, starting with the number of auto repossessions triggered by a missed payment from a non-purchase money loan, i.e. an auto title loan.

We know that more than 26,634 vehicle repossessions took place in South Carolina in 2017.[37] But we do not know the breakdown of how many of these repossessions were triggered by a default on the original car loan as opposed to how many repossessions resulted from missed payments on a high-cost title loan. According to a study by the Center for Public Integrity, title loan lending resulted in the repossession of more than 50,000 vehicles across New Mexico, Missouri, Virginia, and Tennessee in 2013. [38] This averages more than 10,000 title loan-related repossessions per state in one year alone. It stands to reason that the numbers in South Carolina would be similar. High-cost lenders should not be allowed to hide the consequences of their predatory practices. The South Carolina Board of Financial Institutions should facilitate this transparency by detailing the number of vehicle repossessions triggered by non-purchase money contract (title loans) versus purchase money contract (original car loans) in its public reports.

Consumer Protection Division of the Attorney General's Office:
The South Carolina Department of Consumer Affairs and the South Carolina Attorney General's office require additional, dedicated financial resources to shut down the predatory lending practices that extract far too much money from our communities and state. To this end, the state legislature should fund a consumer protection division within the South Carolina Attorney General's office, in part to litigate more aggressively against out-of-state lenders who are unlawfully doing business in South Carolina, as was contemplated in the 2009 federal Payday Lending Reforms. States with proactive Attorney General and/or banking commissioner offices have successfully eliminated many high-cost and predatory lending practices.

A 36 Percent Rate Cap:
Most importantly, South Carolina policy makers need to recognize that, as a deregulated state, predatory lenders can target our citizens with any astronomical rate and egregious business practice imaginable. Predatory lenders have capitalized on this state of affairs, stripping wealth from poor communities and acting with impunity to hurt the borrowers, businesses, employers, and communities of South Carolina. Our state must understand that South Carolina's past decision to abolish rate caps has harmed those who earn the least among us. It is time to discuss and pass a 36 percent rate cap, something many in our state would probably consider too high.

Develop and Encourage Small Loan Lending in South Carolina:
One argument made by the high-cost lending industry in its defense is that it provides the only available access to credit for low-wage workers. We know from other states

WHAT THEY'RE SAYING ABOUT HIGH-COST LENDING:

Bill Taber, Crisis Assistance Director, The Cooperative Ministry

"When an individual or family Is in immediate financial peril, taking a loan from one of these places almost always ensures they sink into the abyss of the poverty cycle. It is frequently argued that these loan places are necessary for those with terrible or no- credit. "They are better than loan sharks which would be the alternative without them" goes the argument. Factually, except for the threat of violence there is very little difference between them.

When you are walking a razor thin wire of being able to pay your bills, and your credit is very bad, the poor need a place they can trust who will help them recover and not send them sinking deeper into the abyss of poverty. Traditional banks will usually turn these people away leaving them to become the prey of unscrupulous businesses. I have talked with many of the impoverished who needed a fighting chance to dig themselves out of their financial peril. When they wind up in predatory loan places, they unknowingly become victims, yet again, of inadequate information and loan rates that sap their ability to survive."

that cap interest rates or ban high-cost lending that this argument is far from the truth. While large national banks are not making small consumer loans, there are many alternative ways for consumers to access affordable loans.

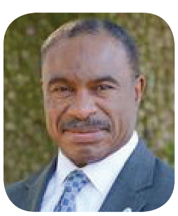
For instance, credit unions often limit their interest rates to 18 percent APR. These institutions will make small loans, help establish credit and savings programs, and assist consumers in participating in long-term financial services participation. Community banks are willing to develop innovative programs to make affordable small loans and help consumers save. We must encourage the continued development of similar lending models.

Further Develop Employer-Based Lending Opportunities Outside of the Paycheck Advance Model:
Many exciting employer-based lending programs are being piloted around the country. In these models, employers develop a partnership with a credit union, loan fund, or bank to develop lending programs available to employees. These programs allow employees meaningful access to credit at a reasonable rate. An employee, for example, could access a small emergency loan, payments for which would be based on their income and ability to repay. The employee could then make payments on the loan directly from their paycheck to the lender. Costs related to origination and repayment are substantially lowered in these models, making the interest rates and the terms of the loan reasonable and allowing the employee to circumvent the trap of the high-cost debt cycle.

South Carolina must do more to protect its citizens from the predatory lending industry, and to promote the dignity of low-income individuals and communities in our state. To accomplish this, we must make strong and meaningful reforms to the payday and title loan industries, and to prioritize the development of non-predatory lending programs for low-income communities. These measures will allow South Carolina to escape the vicious cycle of high-cost lending and to grow towards a more just and prosperous future.

WHAT THEY'RE SAYING ABOUT HIGH-COST LENDING:

Tavia Watson, Credit and Financial Counselor, Origin SC
"Predatory Lending is the leading cause of financial problems and barriers. At least 80% of my clients have experienced hardship of having predatory lending issues…Most of our clients will attest that the loans are so hard to pay back and their loans are often rewritten multiple times before being paid off… Predatory lending is so unfair with deceitful loan terms."



Rev. Bernie Mazyck, President and CEO of the South Carolina Association for Community Economic Development
"The South Carolina Association for Community Economic Development believe payday lenders are a hinderance to building wealth among low-income individuals and families. We believe state and federal policies are needed to curtail the predatory practices of these lenders and alternative products are needed to assist low-income and low-wealth families to meet their unique needs for small loans and emergency capital."

WHAT THEY'RE SAYING ABOUT HIGH-COST LENDING:

Kerry Graydon, Case Manager/ Youth Leadership Assistant, Wateree Community Actions

Here at Wateree Community Actions our services and programs are dedicated to some of the most vulnerable populations in our area, one of these is those living below poverty lines. When engaging with clients to analyze what services will be most beneficial to them, clients often confide in you some of the hardships they have faced that have left them and their household in a vulnerable state. Predatory lending is one of the most common issues that cause clients stress, and distress. Accepting a payday loan or a title loan just to try to catch up on bills that have already decimated their accounts, only puts a band aid over the gash that bills have already left on their funds. Predatory lending is a major factor in some of the obstacles our clients face on the path to obtaining financial stability. I am truly grateful for Appleseed and their wonderful initiative to be advocates for those who are impacted by such malicious practices.

ENDNOTES

[1] "Carey." (2019, December 13). Phone interview.

[2] The Statutes At Large of South Carolina, Volume Third, Columbia, SC. 1838. Pages 132-134.

[3] State of South Carolina Deferred Presentment Program Report on South Carolina Deferred Presentment Transaction Activity for the Year Ending December 31, 2018.

[4] Id.

[5] "Nadia." (2019, December 3). In-person interview.

[6] Jean, Sheryl, "Legislators Focus on Title Loans," The State, September 17, 1998, B6.

[7] Center for Responsible Lending, "Payday and Car-Title Lenders Drain Nearly $8 Billion in Fees Every Year," Updated April 2019: https://www.responsiblelending.org/sites/default/files/nodes/files/research-publication/crl-statebystate-fee-drain-apr2019.pdf

[8] "Dana." (2019, October 22). Phone interview.

[9] "Queta." (2019, October 14). Phone interview.

[10] South Carolina Appleseed Survey Data

[11] "Eileen." (2019, October 3). Phone interview.

[12] "Cassandra." (2019, September 16). Phone interview.

[13] "Laura." (2019, September 13). Phone interview.

[14] "Paula." (2019, October 1). Phone interview.

[15] "Queta." (2019, October 14). Phone interview.

[16] "Margaret." (2019, October 14). Phone interview.

[17] "Miranda." (2019, September 18). Phone interview.

[18] "Laura." (2019, September 13). Phone interview.

[19] "Vanessa." (2019, September 24). Phone interview.

[20] World Acceptance Corp. operating performance as of January 9, 2020: https://www.morningstar.com/stocks/xnas/wrld/performance

[21] Enova International Inc operating performance as of January 9, 2020 https://www.morningstar.com/stocks/xnys/enva/performance

[22] "Grupo Elektra to Acquire Advance America for $10.50 Per Share," PR Newswire. February 15, 2012: https://www.prnewswire.com/news-releases/grupo-elektra-to-acquire-advance-america-for-1050-per-share-139407723.html

[23] Id.

[24] Capital One operating performance as of January 9, 2020, Morningstar: https://www.morningstar.com/stocks/xnys/cof/performance

[25] Wells Fargo operating performance as of January 9, 2020, Morningstar: https://www.morningstar.com/stocks/xnys/wfc/performance

[26] Bank of America operating performance as of January 9, 2020, Morningstar:

https://www.morningstar.com/stocks/xnys/bac/performance

[27] Amazon operating performance as of January 9, 2020, Morningstar: https://www.morningstar.com/stocks/xnas/amzn/performance

[28] Alphabet operating performance as of January 9 2020, Morningstar: https://www.morningstar.com/stocks/xnas/goog/performance

[29] "Vanessa." (2019, September 24). Phone interview.

[30] "Rachel." (2019, October 23). Phone interview.

[31] Id.

[32] South Carolina Appleseed Survey Data.

[33] Id.

[34] "Eileen." (2019, October 3). Phone interview.

[35] "Marquis." (2019, November 18). Phone interview.

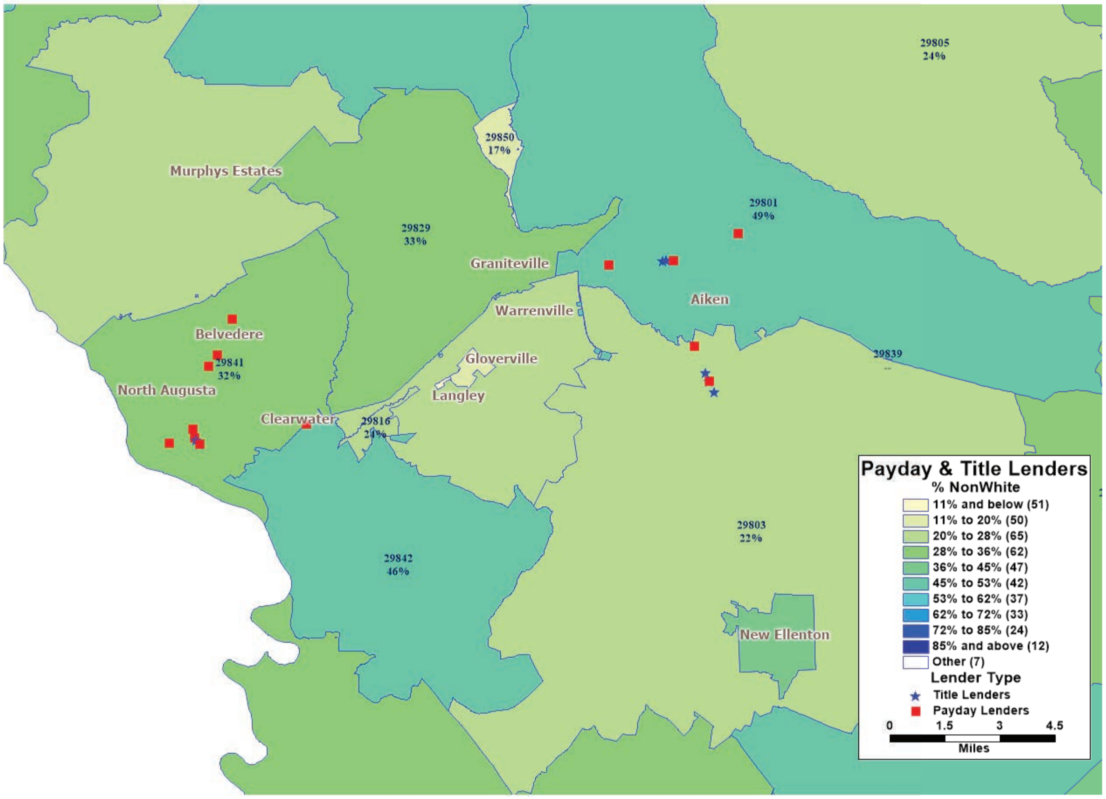
[36] S.C. Code Ann. § 37-5-108 (1976)

[37] Annual Report of Supervised Licenses, January 1st to December 31, 2017, Consumer Finance Division of South Carolina Board of Financial Institutions

[38] Center for Public Integrity, "Lawmakers Protect Title Loan Firms While Borrowers Pay Sky-High Interest Rates." Updated September 2016: https://publicintegrity.org/2015/12/09/18916/lawmakers-protect-title-loan-firms-while-borrowers-pay-sky-high-interest-rates

HIGH-COST LENDERS PROXIMITY TO AFRICAN AMERICAN POPULATION IN SOUTH CAROLINA CITIES.

AIKEN



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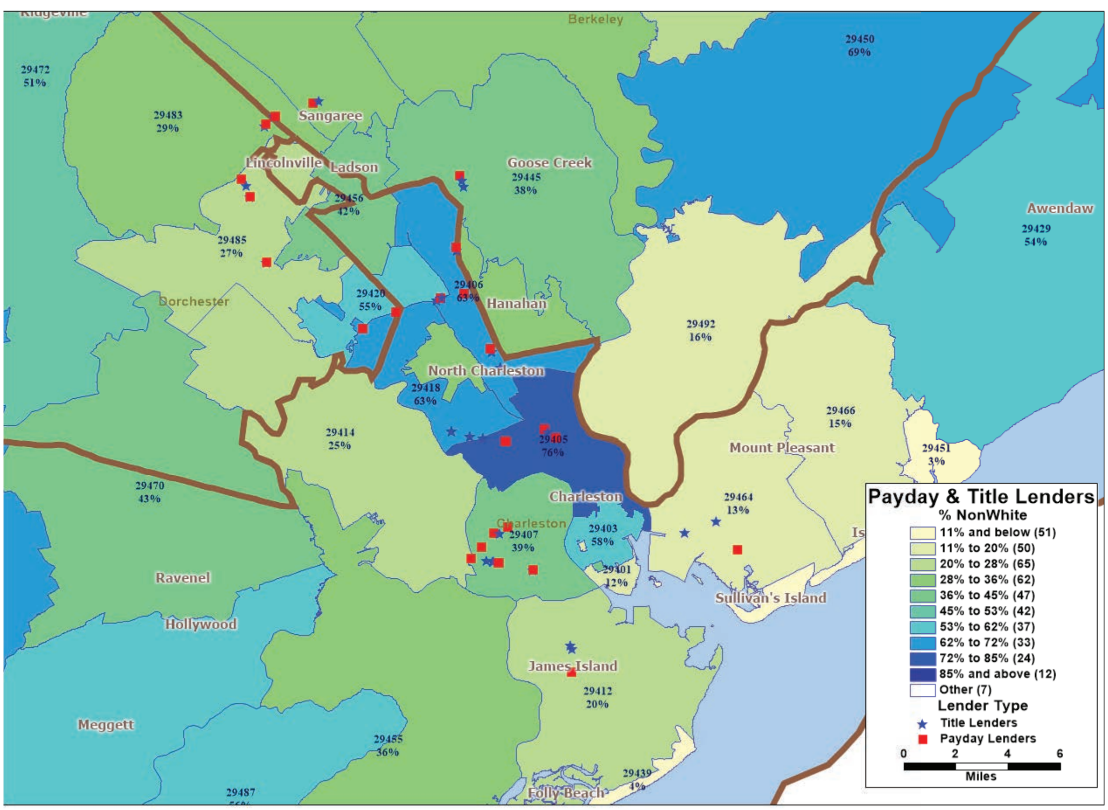

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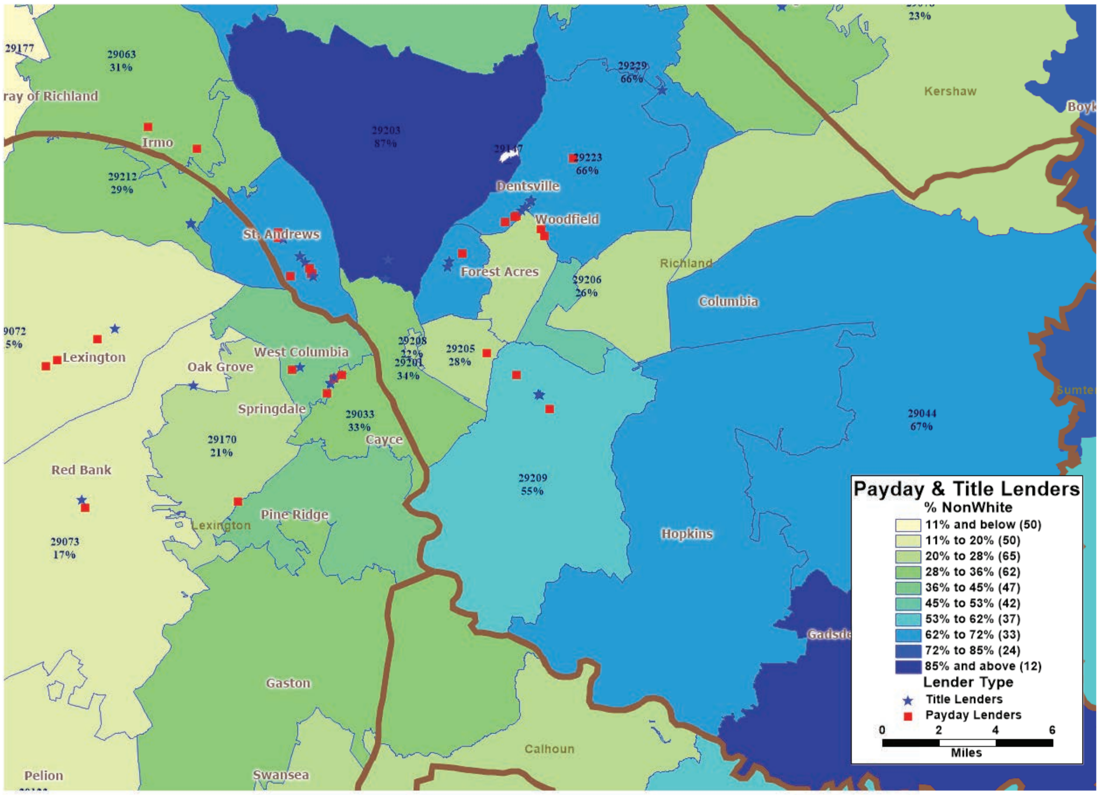

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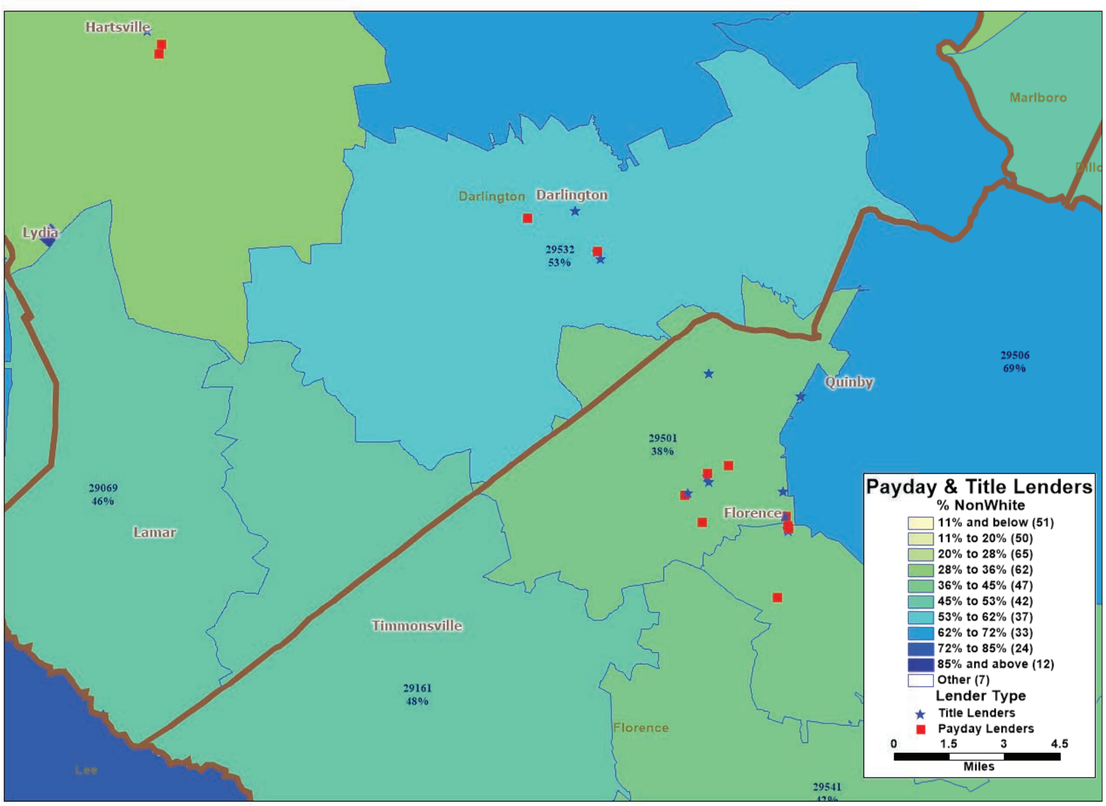

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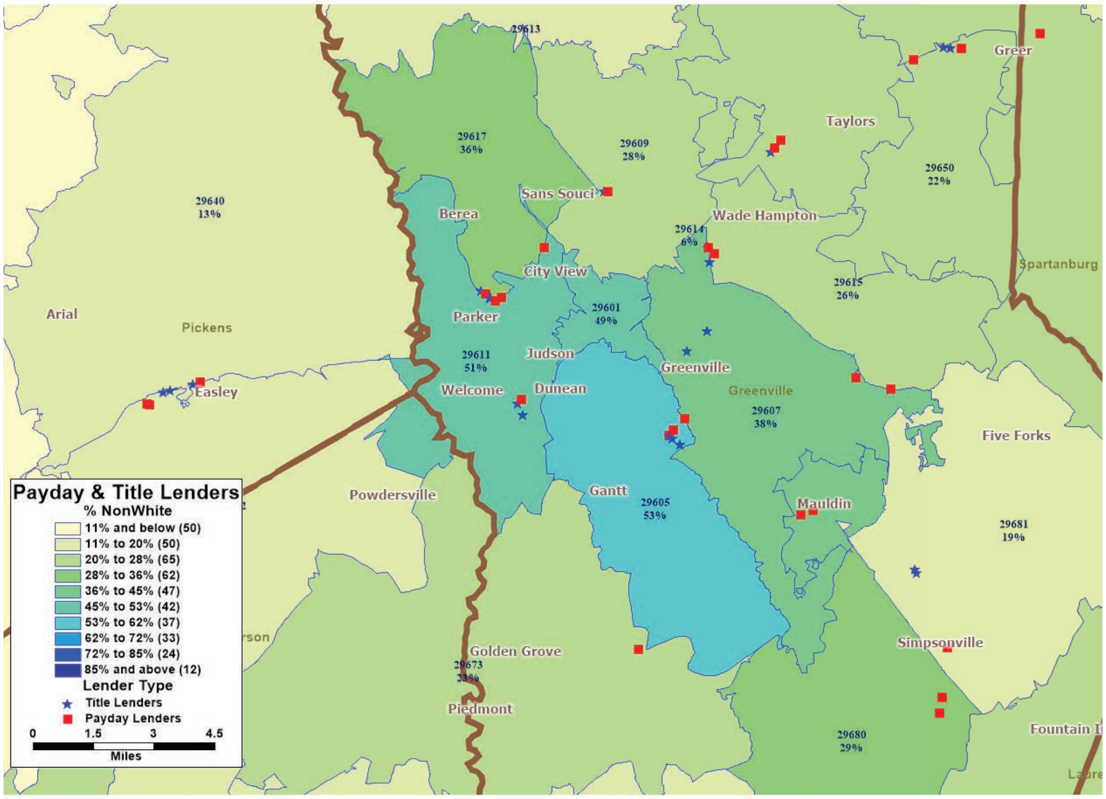

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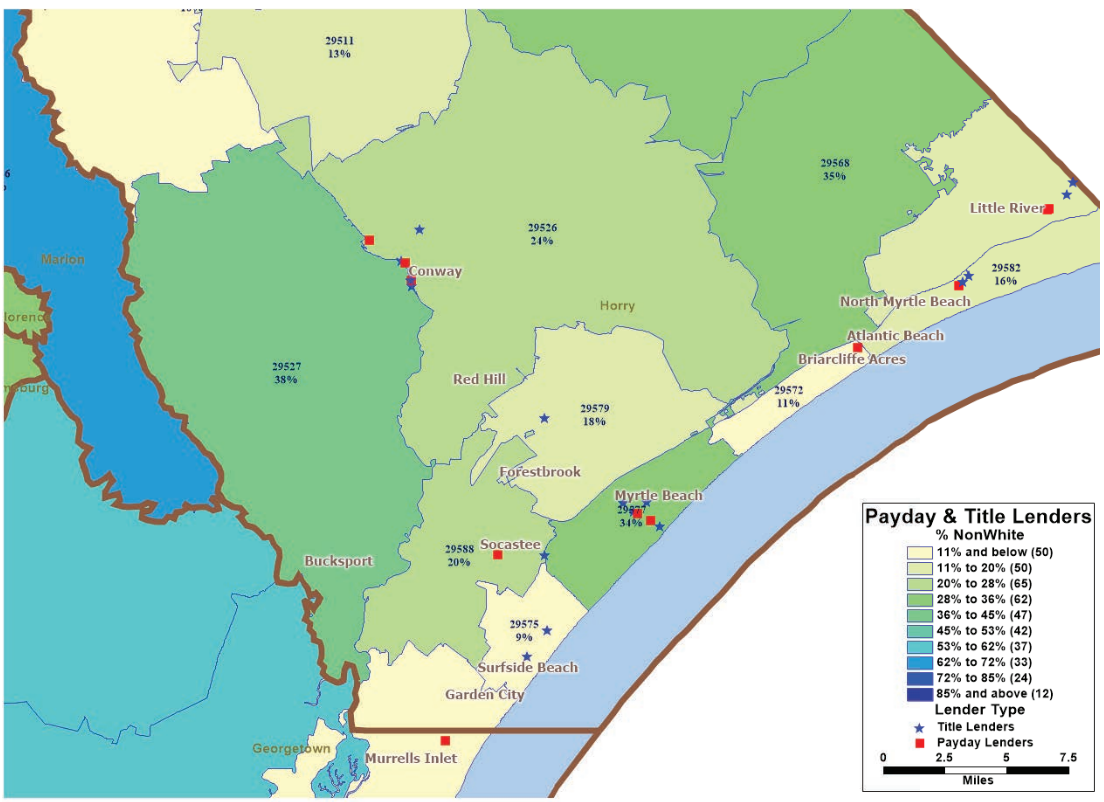

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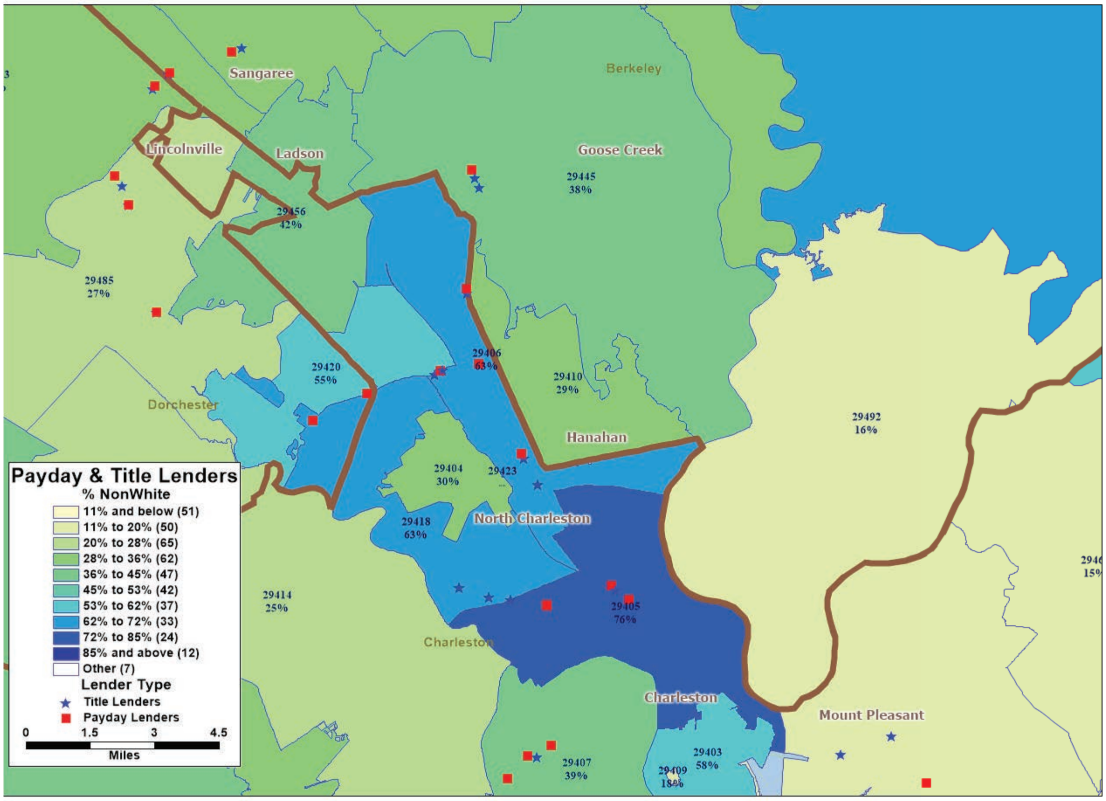

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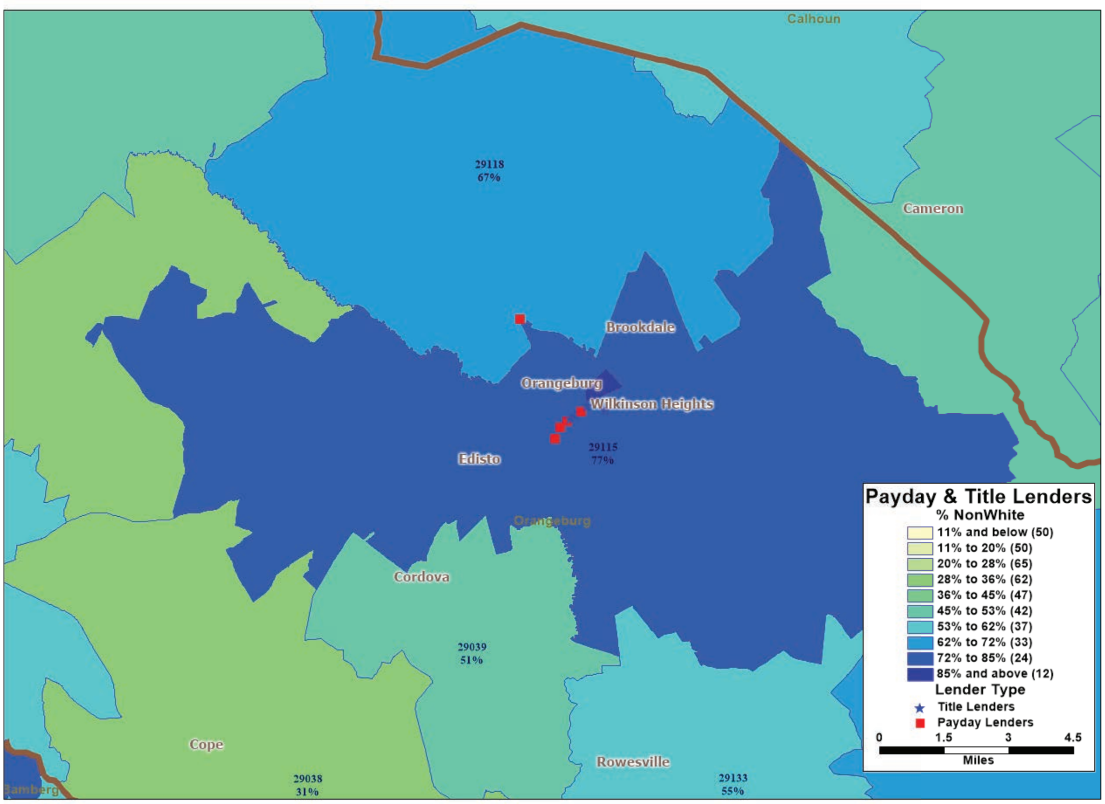

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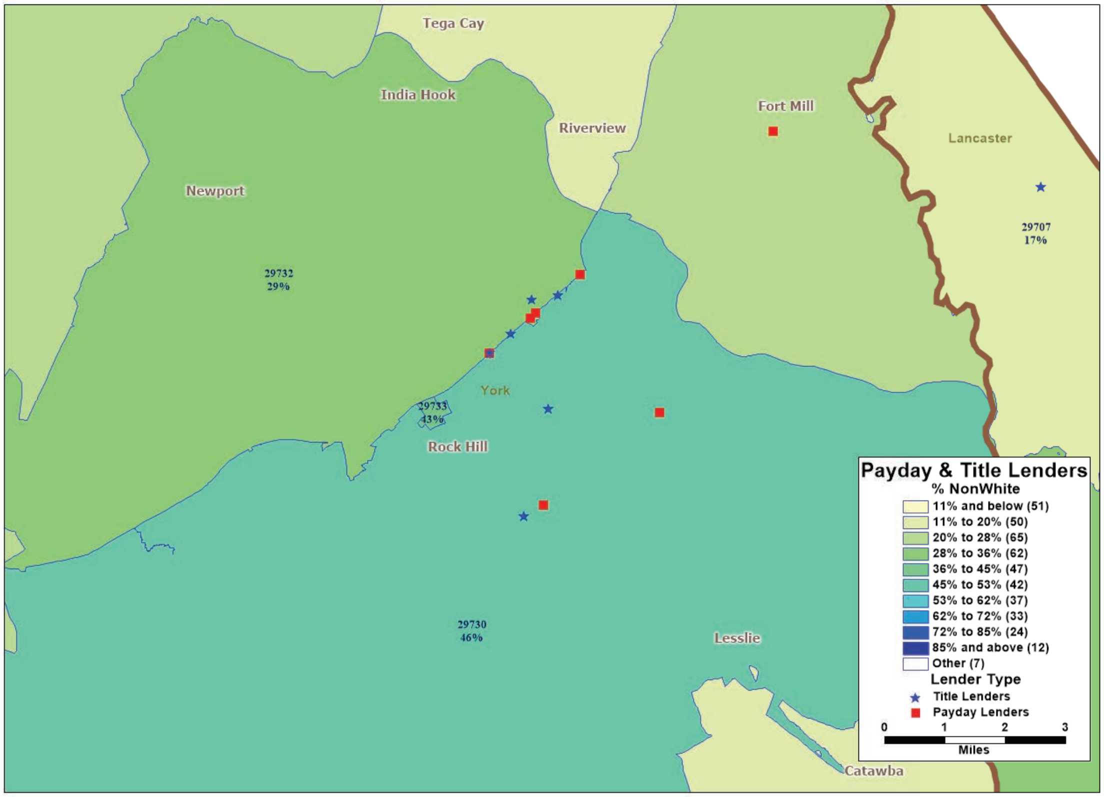

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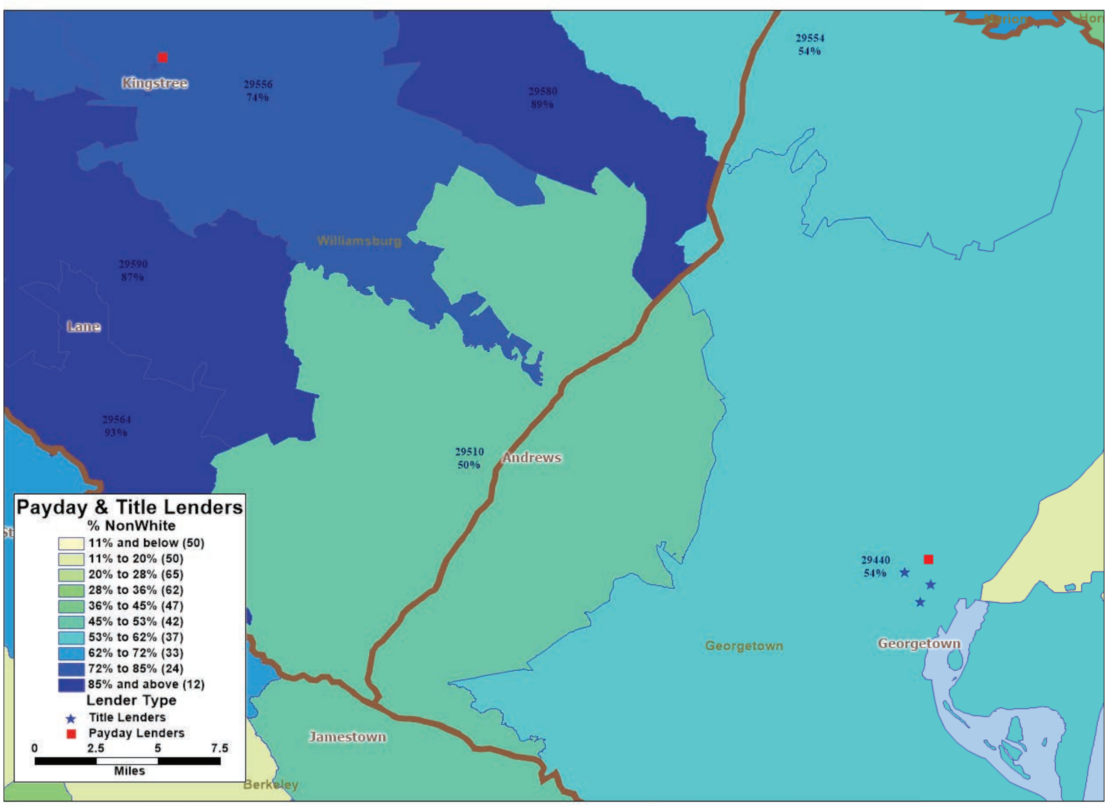
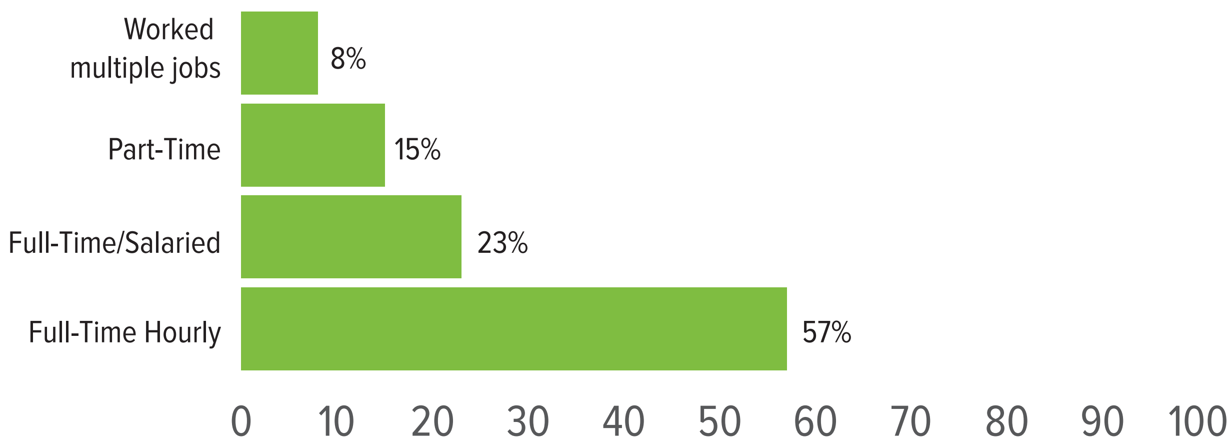
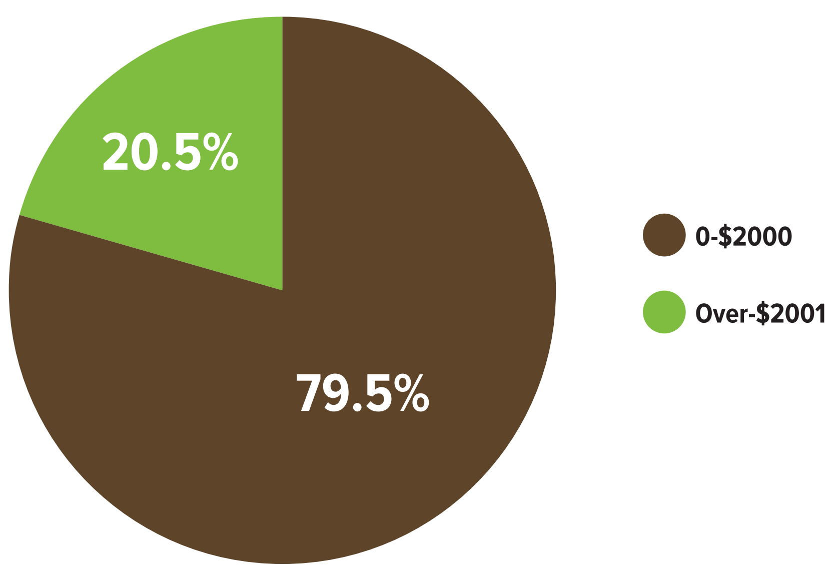


MOST WORKING BORROWERS WE SURVEYED REPORTED EARNING AN HOURLY WAGE AND LESS THAN $24,000 PER YEAR.

If your income is/was from work, please tell us if you are/were one of the following:
149 responses

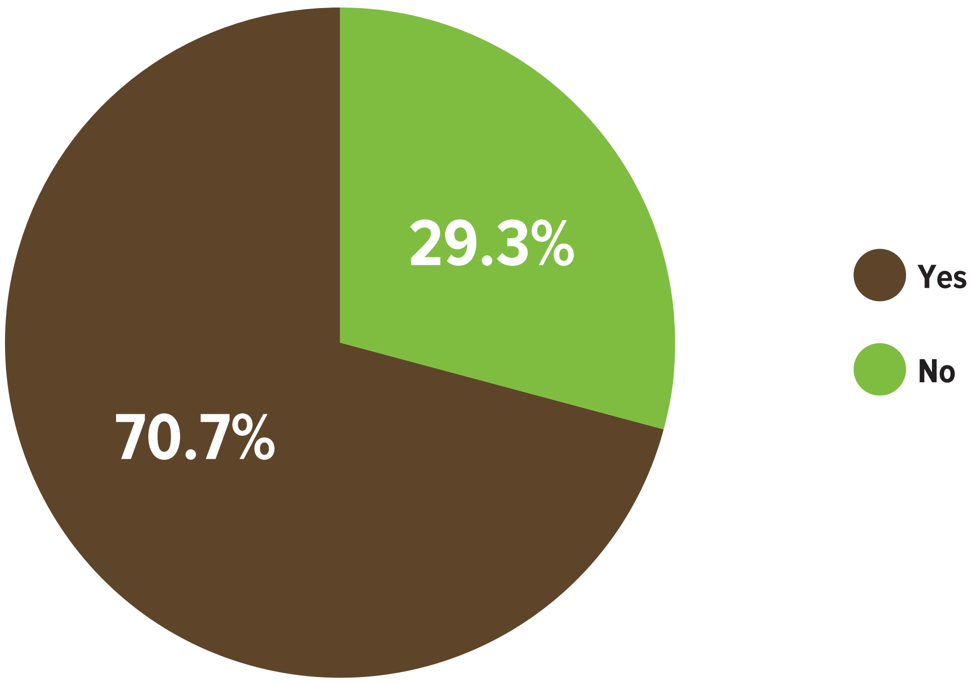


What is your monthly income right now?
195 responses

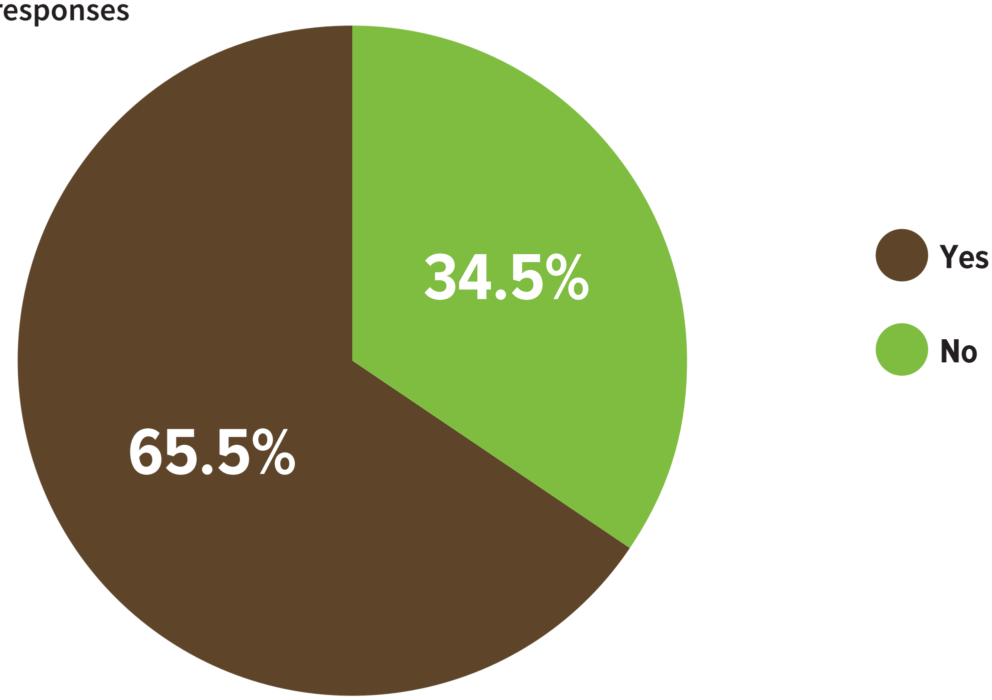


MOST BORROWERS WE SURVEYED REPORTED BEING HARASSED BY LENDERS.

Were you called more than once a day when you got behind on a loan payment?
147 responses



Has a lender ever called your family members/friends to get in contact with you when fallen behind on payment?
147 responses



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