



## **The roll call of shout-outs and shame in Ohio House vote to close payday lending loophole**

**By Thomas Suddes**  
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Three cheers and a tip of the derby go to Speaker Armond Budish, a Beachwood Democrat, for spurring the Ohio House to stand up, loud and clear, for Ohio consumers last week.

In a bipartisan 61-37 vote, the House passed a bill to close loopholes that payday lenders -- legalized loan sharks -- exploit to thumb their noses at Ohio voters.

Shout-outs also to such principled Republicans as House Minority Leader William G. Batchelder of Medina and suburban Dayton Rep. Seth Morgan -- both of them incontestably conservative -- for joining Budish, 47 other Democrats and 11 other Republicans in speaking up for Ohio's working poor (and for almost 3.4 million Ohio voters).

In contrast, Rep. Josh Mandel of Lyndhurst, this year's Republican candidate for state treasurer, sided with payday lenders by voting "no" on the loophole-closer.

In November 2008, 64 percent of the Ohioans voting capped annual percentage rates (APRs) on payday loans at 28 percent. Of the 147 precincts in Mandel's 17th Ohio House District, 146 precincts voted "yes " to a 28 percent APR cap.

Despite what Ohio's voters decisively decided statewide in 2008, payday lenders created loopholes by exploiting other Ohio loan laws. Result: Same old, same old. Before Ohioans had voted, payday lenders were charging Ohio borrowers eye-popping APRs as great as 391 percent. Today, payday lenders, by relicensing themselves under

other Ohio loan laws, are *still* charging such ticket-to-the-poorhouse APRs.

Those other loan laws, however, were never intended to govern payday loans, as the payday lenders proved in 1995, when they said they had to have a special payday loan law in order to do business in Ohio. The General Assembly shamefully agreed, passing a payday loan bill so smelly that then-Gov. George V. Voinovich, a Republican, let the payday loan measure become law without his signature.

The lenders' defiance of the 2008 statewide vote led to last week's House passage of the loophole-closer, House Bill 486, sponsored by Rep. Matt Lundy, an Elyria Democrat. And among those voting "yes" -- with Budish and Batchelder, to close payday lenders' loopholes -- were Reps. Sandra Williams of Cleveland and W. Carlton Weddington of Columbus, both Democrats. Earlier this year, they had expressed uncertainty about the need for Lundy's bill.

Besides Batchelder and Morgan, House Republicans voting "yes" -- to uphold Ohio voters' November 2008 statewide decision -- were Westlake's Nan Baker, Norwalk's Terry Boose, North Canton's W. Scott Oelslager, Uniontown's Todd Snitchler and Wooster's Ron Amstutz; Cheryl Grossman of Grove City, Jay Hottinger of Newark and Gerald Stebelton of Lancaster; Peggy Lehner of Kettering and Ron Maag of Lebanon; and Seneca County's Jeff Wagner.

In contrast, five Democrats sided in the House last week with payday lenders: Reps. Clayton Luckie of Dayton, Dale Mallory of Cincinnati, Stephen Slesnick of Canton, Edna Brown of Toledo (a candidate for the state Senate this November) and John Domenick, a Steubenville-area lame duck.

According to Ohio Manufacturers' Association data, of the 99 Ohio House districts, the 2nd District (Delaware County) ranks No. 1 in median household income (\$67,606). In contrast, Luckie's Dayton district ranks 94th in median household income (\$26,812 a year); Mallory's Cincinnati district ranks 96th (\$25,092); Slesnick's Canton district ranks 84th (\$31,901); Brown's Toledo district ranks 93rd (\$27,521); and Domenick's (Jefferson County and parts of Belmont County) ranks 89th (\$29,645 a year). At the Statehouse last week, these "Democrats" allied with payday lenders, not the voters who sent them to Columbus.

Lundy's loophole-closer is now in the state Senate, which will show whether senators stand behind Ohio borrowers -- or payday loan lobbyists.