

YOUR VIEW: Perception of 'predatory' payday lenders in Alabama is untrue

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Letters from our readers

By

Saturday's Birmingham News editorial applauded the Birmingham City Council for taking time to study the issues surrounding payday lending before issuing a moratorium against new businesses ("Moans for payday loans," Our View). While I agree mostly with the City Council and The News, I also could not help but notice the conversation was once again all about a perception that is not reality.

The News used the loaded word "predatory" to describe the short-term lending industry and said lenders "force people who are least able to pay into a cycle of debt."

For years, the industry has been trying to determine why anyone, particularly well-educated and worldly journalists, would have this unfounded impression the short-term lending industry is exploitative in any way. Perhaps this perception remains from the years before the passing of the 2003 state law that regulates the payday loan industry and protects consumers from cyclical debt.

Before that time, there were some "loan sharks" out there who did, in fact, live up to the reputation the industry can't seem to shake. This misperception might also stem from media reports over the years stirred up by industry opponents using PR tactics to further their political agenda.

But here's the punch line: It's just not true. In this case, perception is not reality. The reality is that hardworking Alabamians occasionally need to borrow a couple hundred dollars to serve an urgent need. They are more than willing to pay the one-time fee of 17.5 percent the law allows to borrow that money.

I challenge the members of the City Council and The News to walk into any payday loan store in Birmingham and talk to a few customers. Take out a loan, perhaps. Don't just believe what you read or what you hear. Find out from real people who use our products. I think you'll be surprised by the truth.

Charles Hunter

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