

9/5/08

Although Prop 200 states that a person may have only one loan out at a time, *the measure does not include a database to determine whether or not an individual has a loan outstanding*; the database described in the initiative applies only to people who opt to participate in a repayment plan on the day their loan is due.

Clients are referred to the St. Vincent de Paul Family Assistance Ministry (FAM) by Conferences of Charity from our local parishes because the amount needed in rent and utility assistance is beyond the ability of local SVdP Conferences to pay. Vincentians and staff at FAM are trained to go through a computerized budget with families who come to us for help. Funding for this program comes from the State Housing Trust Fund for eviction prevention.

SVdP can only help if the budget program shows that the family has enough income to make it on their own after one time assistance with utilities and/or rent. Unfortunately the debt from multiple payday loans is often too high for the family to pay off and regain financial stability. A few examples from real cases at SVdP FAM involving multiple payday loans:

- Single mom unable to divorce her husband as she does not know where he is and is not receiving child support. She took out payday loans while on disability for 3 months. She is approximately \$700 in debt with these loans and has not been paying interest and is being taken to collections.
- Husband was incarcerated, has been released and is looking for work. Wife took out payday loans for food and rent and is currently paying \$120 every two weeks for an extension but will soon have to pay the full amount due of \$411.
- Client going to court to get back child support. Used income tax refund to pay partial rent. Owes \$287.50 in payday loans and is paying \$40 every two weeks on these loans.
- Client has \$1000 in payday loans. She is struggling to cover full-time childcare but if she works full time, she makes too much to qualify for childcare subsidized by DES.
- Got behind because of payday loans to help pay expenses for sick daughter who is pregnant. Gas has been turned off. Has turn off notice from SRP.
- Client has taken out 5 outstanding payday loans in last 14 months totaling \$838.40. She is currently paying on 3 of the 5 loans. She lives in Section 8 housing with two babies and receives disability.
- Client moved to new apartment to escape domestic abuse. She took out payday loans totaling \$700 and is requesting \$203 for rent and \$143 for utilities from SVdP.

- Husband is incarcerated and will not be released for another six years. Client has health problems (brain tumor) and unable to work. She has payday loans of \$232.
- Client had overdrafts in checking account from 3 payday loans. Total of payday loans was \$1,000. Paid off loans but now does not have money for rent of \$621 plus utilities of \$80.
- Client caring for sister's children (sister is incarcerated) and has taken out 4 payday loans to help pay the added expenses.