

Virginia Partnership to Encourage Responsible Lending VaPERL Membership Form



Predatory lending strips billions of dollars from consumers and communities throughout our country each year. Borrowers lose more than \$25 billion annually due to predatory mortgages, payday loans, and other lending abuses like car title lending and tax refund loans. Virginians are no exception.

The Virginia Partnership to Encourage Responsible Lending (VaPERL) and its individual and organizational members are working to stop these financial abuses through legislative and policy advocacy, coalition-building, litigation, and industry research.

Our priorities for the next Virginia General Assembly session are:

Payday Loans

Payday lending exploded in 2002 when the Virginia General Assembly passed the Payday Loan Act. Since then, almost 800 locations have sprung up across the commonwealth – that's more than 2 payday loan shops for every McDonalds and 3 for every Starbuck's! In addition to paying astronomical interest rates and fees (upwards of 380% APR) on payday loans, borrowers are often lured into a cycle of debt driven by repeated loans from the same and different lenders. Each additional loan is used to pay off previous loans. This access to "easy money" turns out to be an inescapable debt trap that ensnares unsuspecting borrowers and turns their financial futures into nightmares.

Car Title Loans

Two large out-of-state car title lenders are charging 360% interest to make loans to Virginians that are struggling to make ends meet. Even though small loans are capped at 36% interest under Virginia law, these lenders are exploiting a legal loophole – avoiding interest rate limitations by structuring the debt as open-ended credit, like credit cards. If the borrower defaults, car title lenders can easily repossess the borrower's means of transportation, often their link to their jobs and other vital services like healthcare, childcare, and school.

Mortgage Servicing Abuses

When homebuyers attain a mortgage, often a third party company steps in and acts as a middle man. They are responsible for accepting monthly mortgage payments and then sending them onward to the appropriate mortgage company. However, many of these mortgage servicing businesses have found ways to skim money off during the transaction, usually hurting the homeowner in the process.

No cost to join! Personal information will not be shared with outside groups.

To join the coalition and receive regular updates on this issue, return this form to VaPERL by:

Mail: PO Box 12516, Richmond VA 23241

Email: helen@virginiainterfaithcenter.org

Type of membership:

Organizational Individual (if you join as an individual, your organizational affiliation will be listed FOR IDENTIFICATION PURPOSES ONLY)

Name: _____

Organization: _____ # of Members: _____

Address: _____

Phone #: _____ Fax #: _____

Email address: _____

*Unless you indicate otherwise, we will send correspondence to your email address.
The membership list will be made public, to show the depth of support for the coalition.*

Virginia Partnership to Encourage Responsible Lending (VaPERL)

Helen O'Beirne, Responsible Lending Coordinator

Phone: 804.643.2474

Email: helen@virginiainterfaithcenter.org

Web: www.VirginiaFairLoans.org