

## **Tidewater Sowers of Justice Letter of Support**

Tidewater Sowers of Justice has always advocated for those least able to advocate for themselves, namely the poor and vulnerable in our midst. For this reason, we are proud to support VaPERL in its efforts to halt predatory lending practices.

One of these practices, payday loans, targets people who have difficulty living from paycheck to paycheck. Payday lenders charge such borrowers \$15.00 for every \$100.00 borrowed. This amounts to an interest rate of upwards of 380% APR. People find that they can't repay the loan when their next paycheck arrives and thus get trapped in a cycle of debt paying as much as \$800.00 for a \$325.00 loan.

In a similar manner, Car title lenders trap people into paying exorbitant interest rates with the threat of repossession hanging over their heads.

These practices exploit the poor and vulnerable in our midst. Therefore we find such practices abhorrent and not in keeping with the Christian concept of the preferential option for the poor.

**Tidewater Sowers of Justice urges Virginia's Legislators to repeal the Payday Loan act of 2002 and to cap car title loan APRs at 36%. This, we feel, would help stop the poor from being exploited in this manner.**