



Senator Eliot Shapleigh

District 29

Press Release

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"SENATOR SHAPLEIGH PASSES BILL OUT OF SENATE TO PROTECT MILITARY SERVICE MEMBERS AND DEPENDENTS FROM PREDATORY LENDERS"

"From Dyer to Montana, consumers now pay up to 1,100 percent annual interest on predatory loans. SB 189 will protect soldiers and their families from predatory lenders by capping interest at 36 percent and having state law enforcement stop these abusive practices."

AUSTIN - On Tuesday, March 17, 2009 in Austin, Senator Eliot Shapleigh (D- El Paso) passed his first bill out of the Texas Senate. The bill, [SB 189](#), provides protections to military service members and their dependants from predatory payday lenders.

"From Dyer to Montana, consumers now pay up to 1,100 percent annual interest on predatory loans. [SB 189](#) will protect soldiers and their families from predatory lenders by capping interest at 36 percent and having state law enforcement stop these abusive practices," Senator Shapleigh said.

[SB 189](#) would establish a 36 percent interest rate cap on military borrowers and dependents. This bill mirrors recent federal legislation that became effective in October 2007 and ensures that state law enforcement is empowered to combat predatory lenders.

At deployment time, when military families are faced with extra expenses at home and abroad, they may be more vulnerable to the promise of quick cash from payday lenders. As a result, the Department of Defense concluded that payday lending and other high-cost lending products are a threat to national security and destructive to troop morale while being actively deployed.

Although federal legislation has been passed, [SB 189](#) is necessary because it gives state regulators a role in enforcement.

Now that [SB 189](#) has passed out of the Senate, it will move to the Texas House of Representatives for consideration.

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