A documentary produced by the Center for Responsible Lending in cooperation with South Dakotans for Responsible Lending

# PEOPLE Output Description: Description:

South
Dakotans
Stop
Predatory
Lending



Discussion & Planning Anide



# Table of Contents

A Note from the Filmmakers	1
About the Film	3
Hosting a Screening 101	4
Why Payday Lending is Predatory	6
Discussion Questions	10
Sample Social Media Posts	12
Get Involved & Stay Connected	13

## A Note from the Filmmakers

hank you for hosting a screening of Let My People Go: South Dakotans Stop Predatory Payday Lending. We hope you and your audience find this film informative and inspiring – and that it helps you imagine new ways that you can work in your state and community to bring justice and hope.

This guide offers tips and suggestions for hosting a screening, as well as a discussion guide on the issue of payday lending. We believe your audience will come away inspired by the efforts of South Dakotans to end triple-digit interest predatory loans.

South Dakotans from every walk of life and political persuasion came together to stand up against predatory payday lending in their state in 2016. Payday lenders in South Dakota would charge rates exceeding 500% annual interest. Ultimately, 76% of South Dakota voters said yes to capping the rates. This story begged to be told!

Several South Dakotans were courageous enough to share personal stories of the harm caused by intentional debt traps set by predatory lenders. They also told us about the relief and freedom they felt after breaking free. They came together with faith leaders, lawmakers and advocates to put a stop to the exploitation by offering the people of South Dakota the chance to vote in a 36% interest rate cap on payday, car title and installment loans.

In a true "David and Goliath" story, the campaign spent very little money against predatory lenders who spent millions. The success of the grassroots campaign is a true testament to their tenacity and passion for fairness and economic justice.

We wish to thank South Dakotans for Responsible Lending, Black Hills Community Loan Fund, Four Bands Community Fund, Bread for the World and the following for their contributions to the film and to this movement: Onna LeBeau, Al Eagleman, Wambli Bear Runner, Maxine Broken Nose, Sister Pegge Boehm, Rob Tschetter, Holden Niegel, Lakota Vogel, Cora Mae Haskell, Steve Hickey, Reynold Nesiba, Jill Tyler, Dale Bartscher, Cathy Brechtelsbauer, Jonathan Land, Rosemary Lytle, and Nathan Hunt.

Yours,

Diane Standaert, Whitney Barkley-Denney, and Carol Hammerstein Center for Responsible Lending



### About the Film

Let My People Go: South Dakotans Stop Predatory Payday Lending documents the 2016 ballot measure campaign in South Dakota to cap predatory payday lending interest rates. It's a story of South Dakotans from all walks of life standing up to big money to protect families from wealth-stripping loans. The film offers an important message of hope about the power of unified, grassroots, bipartisan action in making meaningful change.

Payday and auto title businesses lock their customers into cycles of debt at triple-digit interest rates. By exploiting loopholes or changing long-established usury laws, payday lenders were spreading like a virus across the country before the harms they cause began to become apparent to the communities in which their products were marketed.

Our story follows the residents of South Dakota as they struggle under the burden of unchecked payday lending, and then organize to put a stop to the unjust practices. We see how hard the payday lenders fight to confuse voters and keep their hooks in borrowers' pockets, despite broad bipartisan support for reform. Finally, we see how South Dakota emerges from the fog of payday lending and proves what local communities knew all along – the state is better off without predatory payday loans.



#### Take These Steps

#### 1. Book a venue

Consider: adequate seating, connecting to a projector or television, food and beverages. Local independent theaters will often rent screens to non-profits for reduced costs. Give them a call!

#### 2. Set a date and time

Get feedback from your potential audience regarding the best time for your screening.

### 3. Make sure you have the right equipment

Your screening kit will include a DVD, flyers and a poster. You may also choose to show the online version. Check in ahead of time with your venue to make sure that everything is set up properly.

#### 4. Recruit volunteers

Don't try to do everything yourself. Ask a few people to help with promotion, setup, and cleanup.

#### 5. Recruit your panel or special guests

A "talk back" or Q&A at the end of the film can help audience members move from the emotional resonance of the film to preparing to take action in your state. See suggestions for special guests in the next section.

#### 6. Spread the word!

Who are you going to invite to your screening? Send email blasts, post events on social media channels, and don't forget the most effective way – make phone calls to people too. Promote! See sample social media posts on page 7.

#### 7. Provide more information

Dedicate a table or small area at your screening where people can find more information.

#### 8. Have a sign-in sheet

As people enter your event, have them sign in. Ask for their organization, if applicable, and contact information. This will allow you to follow up for any campaign that gets underway.

#### 9. Have an "ask" for audience members

Before they leave the screening, ask audience members to take one concrete step to end predatory lending in your state (or protect existing usury laws). They could pen Letters to the Editor, sign up to be part of an advocacy team, volunteer to host a screening in their own community, etc. People leaving the film will feel inspired – take advantage of that!

#### 10. Get creative

Have fun! Try to make your screening a memorable experience. We believe it's special when people gather together for a movie screening – so make the most of it!

#### Structure the Event

We recommend planning 1½ to 2 hours for your event, and structuring it into three parts:

#### Welcome

(20 minutes): Give everyone plenty of time to arrive, announce any post-film activities or events.

#### Screening

(30 minutes): Introduce yourself before the film and ask people to stick around for discussion or Q&A.

#### **Discussion**

(30-40 minutes): Consider a panel discussion or an open Q&A with attendees. Use the enclosed Host Guide as a starting point for this part of the event.

#### Possible Special Guests

#### **Keynote Speaker:**

Invite a local leader or expert to speak about the subject of payday lending.

#### **Personal Experience:**

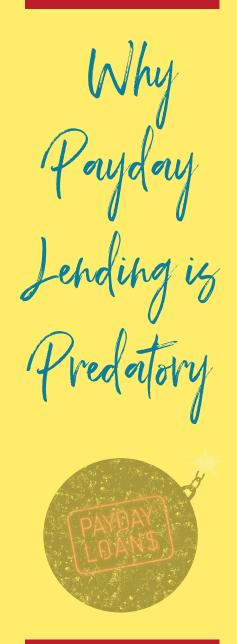
Plan the event in coordination with someone in your community who has personal experience with payday or auto title loans and who might be willing to speak about the experience as well.

#### **Local Organization:**

Invite a local organization that is currently involved in payday lending reform efforts.

#### **Faith Leader:**

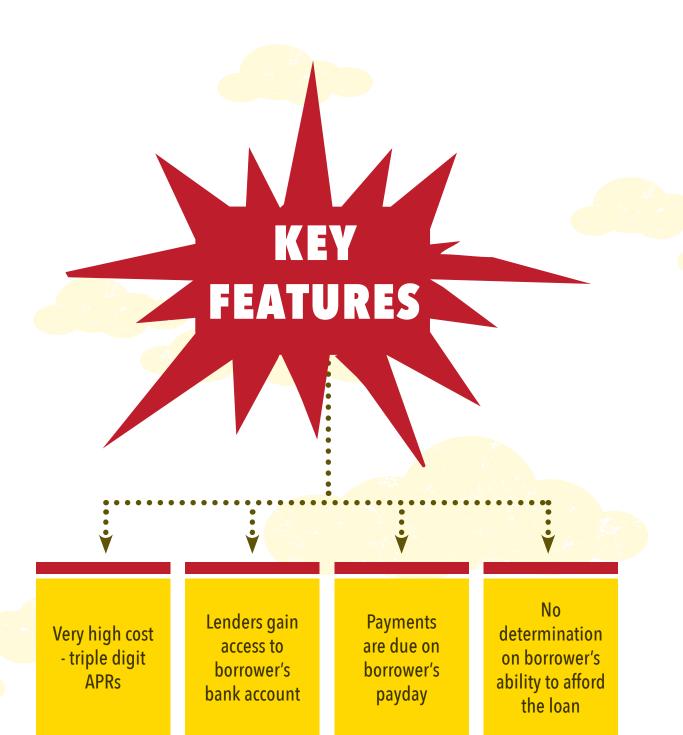
Faith leaders from the Southern Baptists to the Unitarian Universalists agree that usurious lending violates Biblical principles of caring for the poor. Many are eager to speak out against this practice.

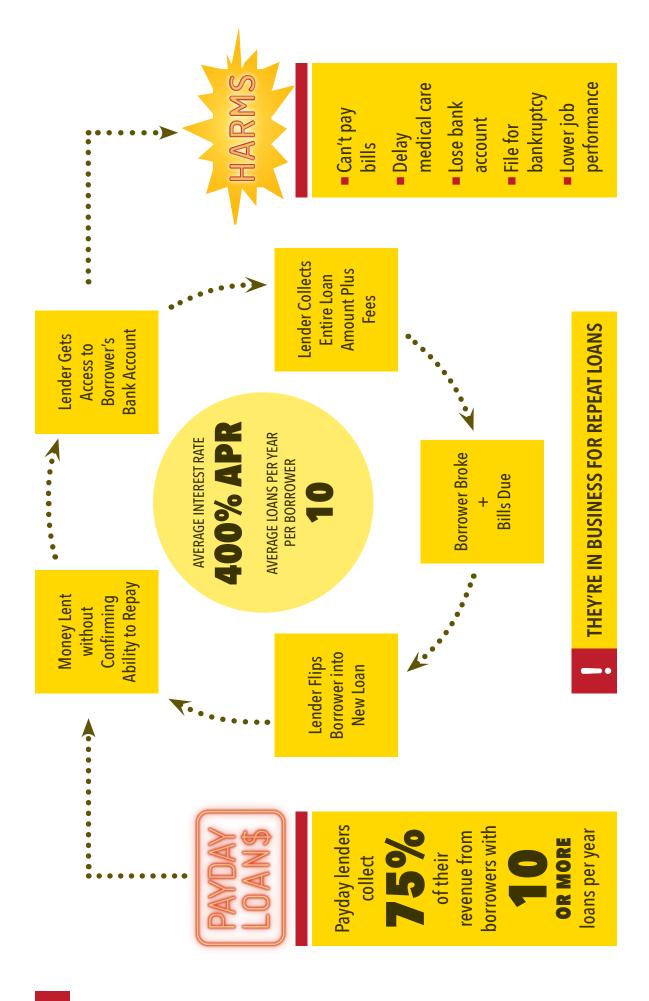


Payday lending is a high-cost loan product that is designed to spin consumers through a cycle of debt, collecting fees for as long as possible. The average annual interest rate nationally is 400%, and the average borrower is stuck in 10 loans per year, typically back-to-back.

Payday lenders derive 75% of their revenue from people caught in 10 or more payday loans per year, demonstrating the payday lenders' reliance on this debt trap business model. (See www.responsiblelending. org/research-publication/shark-free-waters-states-are-better-without-payday-lending)

Payday lenders do not assess the ability of the customer to afford the loan terms based on income and expenses, like conventional lenders do. They get access to the customer's bank account and extract payment whether the funds are available or not, often forcing the customer into another high-cost loan in order to meet rent, grocery bills and other living expenses.





Payday loans are associated with significant financial harms, including inability to pay for food, medicine and other necessities, overdraft and NSF bank fees, bank account closures and bankruptcy.

Analyses of payday loan store locations in state after state show that lenders set up disproportionately in communities of color, even when income levels in those neighborhoods are similar or higher than in white communities. Military veterans and older Americans are also particularly vulnerable to these financial predators.

In South Dakota, interest rates on payday loans of over 500% were common before the 2016 ballot measure passed. But even in Colorado, loans with interest rates that could rise above 200% were causing significant financial distress for customers. In November 2018, 76% of Coloradans voted yes on a ballot measure capping interest rates on payday loans at 36%. Colorado became the 16th state, plus the District of Columbia, to protect against predatory payday lending through reasonable usury limits.

The experiences of consumers in payday-free states show that eliminating the payday debt trap brings a host of positive benefits.

- State payday loan bans save consumers more than \$2.2 billion annually in fees that would otherwise be paid to payday lenders. The rate cap in South Dakota saves the state over \$80 million a year in fees that would otherwise be paid to high-cost lenders. The 2018 Colorado ballot measure is expected to save \$50 million per year in that state.
- Payday loan restrictions do not force consumers to use products that cause greater harm than payday loans. Borrowers in states without payday loans employ a variety of strategies to address a cash flow shortfall at a fraction of the cost of payday loans.
- In addition to protecting consumers from the high costs of payday loans, state payday lending restrictions also help borrowers by preventing the long-term harms associated with these loans.

There is broad public support for maintaining the rate caps in states that prevent the harms of the typical 400% payday loan, both from residents at large and from former payday borrowers.

### Discussion Questions

Below are some general questions to help prompt discussion after the film.

#### Reflections on the film

- What was your overall reaction to the film?
- What stories did you find most compelling?
- What were the harms caused by payday lending that we saw or heard described in the film?
- What did you think about the campaign and the methods the payday lenders used to try to stop the ballot initiative?
- What did you expect to happen once the rate cap was passed?
- What were some of the changes to the community and the people of South Dakota that we saw in the film after the rate cap was passed?

#### General Payday Lending

- Were you aware that payday lending is an issue in so many states across the nation?
- Why do you think payday lending is such a bipartisan issue?
- Do you know anyone who has been trapped in a payday or car title loan?



#### For states that still have payday lending:

- Have you seen payday lenders in your community?
- What can we do to get more involved in this issue?
- What do you think about the ballot measure approach? Is this something we'd want for our state?

#### For states that do not have payday lending:

- What can we do if our state lawmakers propose bringing payday lending to our state?
- How can we support states that still have payday lending?

#### Faith and Payday Lending

- Why do you think so many faith traditions oppose predatory lending like payday and car title lending?
- What faith-based principles or Biblical verses can guide our thinking about predatory forms of lending?
- Has your minister or faith leader ever talked about financial fairness as an issue of faith?
- What could we do to get our own faith communities involved in the fight against predatory lending?

### Sample Social Media Posts

#### **Facebook**

Sample Facebook Post (to promote the screening, include a teaser but not the link to the online film):

Did the sky fall in South Dakota when the people got together to stop 500% interest payday lending? See how a bipartisan grassroots group, with leadership from faith communities and impacted communities took down "Goliath" in a 2016 ballot measure campaign. [link to CapTheRateSD/letmy-people-go or link to events page with details]

#### **Twitter**

For Twitter, include your own organization's handle, if applicable, and consider including @CRLonline and @CapTheRateSD, which is the handle for South Dakotans for Responsible Lending.

To promote the screening, include a teaser but not the link to the online film:

Join us [date] for a 30-min doc telling South Dakota's inspiring David and Goliath story against payday lenders who fought to keep charging 500% interest! #LetMyPeopleGo #StopTheDebtTrap [link to event webpage with more details]

To promote the film online:

Must see 30-min doc from @CRLonline and @CapTheRateSD. Did the sky fall in South Dakota when the people got together to stop 500% interest lending? Watch how they did it and what happened here: CapTheRateSD/let-my-people-go

# Get-Involved & Story Connected

Here are some ways that you can continue to help support the film and its mission.

#### Host a Screening

Encourage others to email crlonline@responsiblelending.org to request a screening kit and host their own screenings!

#### Share Online

Help us share this story with everyone. You can find the film online at: CapTheRateSD.com/let-my-people-go

### More Information on Payday Lending and Other Financial Abuses

Center for Responsible Lending - responsible lending.org

If you or someone you know has had trouble with the practices or actions of a payday lender, please file a complaint to your state regulatory agency and the CFPB.

Consumer Financial Protection Bureau www.consumerfinance.gov/complaint 855-411-CFPB (2372)
TTY/TDD 855-729-CFPB (2372)

### NOTES







Center for Responsible Lending 302 West Main Street, Durham, NC 27701 (919) 313-8500 responsiblelending.org **South Dakotans for Responsible Lending** P.O. Box 709 Sioux Falls, SD 57101 captheratesd.com