



# First Presbyterian Church

OF MANKATO

rooted in community • growing in faith

February 27, 2023

Minnesota Commerce and Consumer Protection Committee  
2105 Minnesota Senate Bldg.  
St. Paul, MN 55155

Dear Committee Members,

Payday loans are small-dollar loans due on a borrower's next payday. In Blue Earth County, in 2021, the average payday loan size was \$355, and the cost of borrowing this amount for two weeks computed to an appalling 294 % APR.

One could overlook this exorbitant interest rate if borrowers took out one loan, climbed out of debt, and walked away satisfied. But that is not the reality surrounding this predatory loan product. Minnesota Department of Commerce data show that the typical payday loan borrower in Blue Earth County takes out an average of 14 loans per year, getting trapped in a vicious and never-ending cycle.

We vigorously oppose these practices which exploit people's financial problems for profit. In 2022, First Presbyterian Church of Mankato signed on to be an endorsed organization for Minnesotans for Fair Lending. This organizing group is seeking to pass SF 1635 which would prevent the debt trap, mimicking other legislation limiting this harmful practice across the country. Our congregation is passionate about social justice and advocacy, and we believe backing this cause is another way for us to put faith into action.

Our congregation is rooted in community, and we have the power to make a more economically just community and regulate these loans based on our values. We encourage you to vote to approve the bills regulating payday loans and finding healthy alternatives that support all.

Sincerely,

James D. Connors  
President of Session

Bradley Leiding  
Treasurer of Session

Kelly Vihstadt  
Clerk of Session