

**ISSUE #5**

**REFERENDUM**

**REFERENDUM ON LEGISLATION MAKING CHANGES TO CHECK CASHING LENDING, SOMETIMES KNOWN AS “PAYDAY LENDING,” FEES, INTEREST RATES AND PRACTICES**

Substitute House Bill 545 (H.B. 545), which was passed by the Ohio legislature and signed into law by the Governor, substantially changed the law regulating how certain lenders in Ohio operate. Under the referendum, voters must decide whether Section 3 of H.B. 545 should go into effect. Section 3 of H.B. 545 deletes the old provisions of the law regulating check cashing lenders, sometimes known as “payday lenders,” in favor of the new provisions.

1. If a majority of Ohio voters approve Section 3 of H.B. 545, all short term lenders, including check cashing lenders, would be subject to the following limitations:
  - The maximum loan amount would be \$500;
  - Borrowers would have at least 30 days to repay the loan; and
  - The maximum interest rate would be 28% annual percentage rate (APR) on all loans.
  
2. If a majority of Ohio voters reject Section 3 of H.B. 545, check cashing lenders would be allowed to continue under previous law as follows:
  - The maximum loan amount would continue to be \$800;
  - There would continue to be no minimum repayment period; and
  - Check cashing lenders could continue to charge rates and fees, resulting in a total charge for a loan that substantially exceeds an equivalent APR of 28%.

A “YES” vote means you approve of Section 3 of H.B. 545, and want to limit the interest rate for short term loans to 28% APR and change short term lending laws.

A “NO” vote means you disapprove of Section 3 of H.B. 545 and want to permit check cashing lenders to continue to be able to offer short term loans as currently permitted.

A majority “YES” vote is required for Section 3 of H.B. 545 to be approved.

<b>SHALL SECTION 3 OF H.B. 545 BE APPROVED?</b>	<b>YES</b>	
	<b>NO</b>	