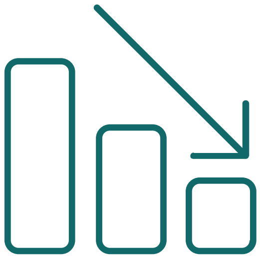
Regulating Short-Term Lenders Out of Business Hurts Texans

Texas Credit Access Businesses (CABs) are already heavily regulated by the Federal and State Government

15-20 times less profitable

CABs generally make about one percent of revenues when you factor in default rates. Financial Institutions such as Wells Fargo Citibank, and American Express make 15-20 times the profits then most CABs. **Onerous regulation and interest rate caps will dramtically limit access to credit for millions of Texans.**



More expensive credit options

Over 1,000% APR

Without legitimate lending options, millions of Texans will be exposed to more expensive alternatives such as **bank overdrafts (over 1,000% APR), utility shut-off fees (over 1,000% APR), unregulated overseas lenders, and criminal elements.**

Higher bankruptcies and complaints

The Federal Reserve Bank of New York reported when Georgia and North Carolina banned short-term borrowings, households **bounced more checks**, registered **more FTC complaints** about lenders and debt collectors, and **filed for Ch. 7 bankruptcy at higher rates** than states without restrictions.

Creates a market for unscrupulous lenders

Upon passing onerous regulations and rate caps in Ohio, nearly all **legitimate short-term lenders shut down operations.** Ohio immediately saw a **spike in citizen complaints from out-of-state, overseas, and unscrupulous lenders.**

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