Payday Lending
Money and Politics

Campaign contributions pave the way for high-interest loans

May 24, 2007

MAPLight.org
MONEY AND POLITICS: ILLUMINATING THE CONNECTION

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Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Executive Summary

MAPLight.org is a nonprofit, nonpartisan organization illuminating the connection between money and politics. In this study, we examined patterns of campaign contributions and legislative outcomes affecting the payday lending industry in seven states. We focused on the states where total industry contributions made up the largest percentage of total campaign contributions in that state. We used campaign contribution data from the National Institute on Money in State Politics.

We found that during the last eight years, as total industry campaign contributions in these states increased, state laws allowed the industry to continue operating without significant restrictions.

Payday lenders made $8 million in campaign contributions to state-level candidates and parties across all 50 states, from 1996-2006. In just one of those years, 2005, borrowers paid $4.6 billion in loan fees, more than 500 times their 1996-2006 campaign contributions.[1]

In the seven states studied, payday lenders made $2.9 million in campaign contributions, from 1996-2006. In 2005 borrowers paid $1 billion in loan fees in those states, more than 300 times their 1996-2006 campaign contributions.

Detailed descriptions for each state begin on page 11.

Idaho

Idaho legislators passed a bill favorable to the payday lending industry, with near-unanimous votes.

A bill to substantially limit the industry died in committee.

Almost all payday loan industry contributions to Iowa legislators—97%—came from outside Idaho, the most out-of-state contributions of any state we examined.

Illinois

A bill favorable to the industry passed unanimously in the House. 84% of House members received industry funds.

The same bill passed nearly unanimously in the Senate. 88% of Senators received industry funds.

During the four months between this bill's introduction and its becoming law, the industry contributed $69,800 to 19 legislators and to both political parties. Governor

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[1] King, et al. "Financial Quicksand: Payday Lending sinks borrowers in debt with $4.2 billion in predatory fees every year." Center for Responsible Lending (2006), http://www.responsiblelending.org/pdfs/rr012-Financial_Quicksand-1106.pdf

Blagojevich, who signed this bill into law, received $172,250 in industry campaign contributions.

Half of industry campaign contributions (50%) came from outside Illinois.

Kansas

Three bills passed, none significantly restricting the industry. A bill that would have significantly limited payday lending died in committee.

South Carolina

No bills were introduced that would have significantly limited the industry.

Tennessee

No bills were introduced that would have significantly limited the industry. One bill that passed allowed payday lenders to charge additional fees. Legislators voting in favor of this bill received about twice as much, on average ($726), as legislators who voted against this bill ($193).

Texas

The one bill that became law did not significantly change payday lending. It did not cap interest rates or prevent loan extensions. This bill passed unanimously in the Senate and by voice vote in the House.

The payday lending industry gave campaign contributions to every Texas senator, an average of $8,269 each. The industry gave campaign contributions to half of House members, averaging $3,147 each.

Utah

A bill that would have significantly restricted payday lending by limiting interest rates died in committee.

Three other Utah bills made minor modifications to payday lending. One of these bills allowed lenders to charge additional interest on defaulted loans.

84% of industry campaign contributions came from outside Utah.

Payday Lending Money and Politics

Payday loans, also known as cash advances or deferred deposit loans, are short-term loans secured by a post-dated check, or by electronic bank account information. Borrowers living from paycheck to paycheck often become trapped in debt. Unable to pay back a short-term loan, they extend the loan repeatedly, accruing effective annual rates that may exceed 400%.

For example, a borrower might pay a $50 fee to obtain a $300 cash advance, secured by a postdated check which the borrower expects to cover with funds from their next payday. If, after two weeks, the borrower cannot pay back the loan—as often happens—he or she is forced to extend the loan another two weeks, for another $50 in fees—or face bounced-check charges and the fear of prosecution for "writing a bad check."

The U.S. payday lending industry has grown from an estimated $8 to $14 billion in loan volume in 2000 to $28 billion in 2005, with over 22,000 payday loan outlets nationwide.[2,3] In 2005 the industry generated more than $4 billion in finance charges.[4]

The payday loan industry's existence and profitability depends on favorable state and federal laws. The industry operates legally in states with no regulation or minimally restrictive regulation. In other states, the industry is minimal or nonexistent, due to state laws that cap interest rates at double-digit levels or otherwise curtail payday lending.

Examining this industry's campaign contributions and legislative failures and successes over these years of revenue growth provides a unique opportunity to examine how increased political giving paved the way for legislative success.

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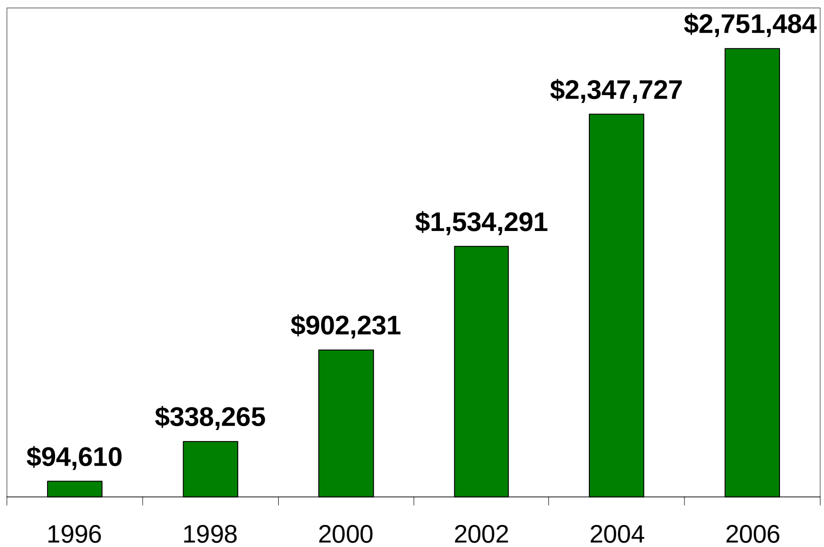
[2] "Payday lenders use Internet to avoid law," *USA Today*, Dec. 1, 2004; available from http://www.usatoday.com/tech/news/2004-12-01-usurious-lending-online_x.htm; accessed April 30, 2007.
[3] King, et al. "Financial Quicksand: Payday Lending sinks borrowers in debt with $4.2 billion in predatory fees every year." Center for Responsible Lending (2006), http://www.responsiblelending.org/pdfs/rr012-Financial_Quicksand-1106.pdf
[4] King, et al.

Total Contributions

The industry contributed $8 million from 1996 through 2006 to state-level candidates and party committees across the country. The industry has increased its contributions during each election cycle. (An election cycle is a two-year period. For example, the 2004 election cycle was Jan. 1, 2003 through Dec. 31, 2004.)

Payday Loan Industry Contributions to State Candidates and Parties, by Election Cycle



The industry's $8 million in contributions coincided with collecting billions in loan fees. In just one year, 2005, borrowers paid $4.6 billion in fees to payday lenders.[5]

[5] King, et al. "Financial Quicksand: Payday Lending sinks borrowers in debt with $4.2 billion in predatory fees every year." Center for Responsible Lending (2006), http://www.responsiblelending.org/pdfs/rr012-Financial_Quicksand-1106.pdf

Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Focus States

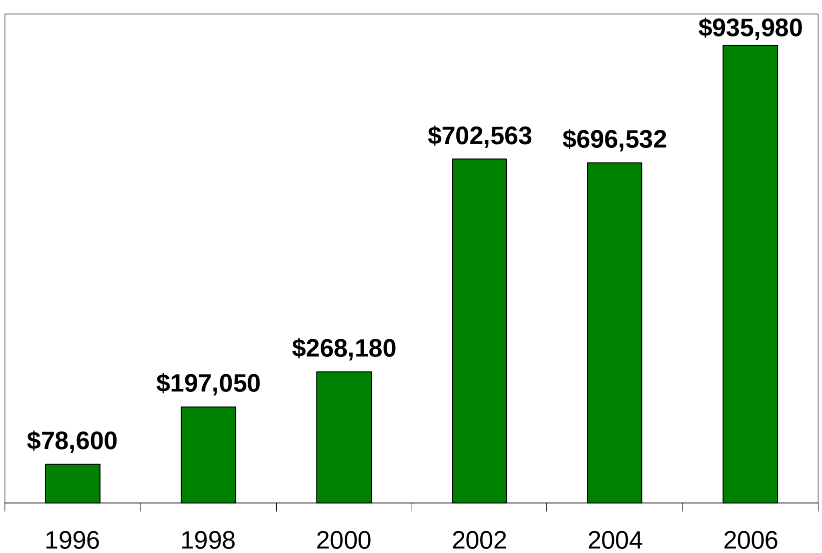
We examined patterns of campaign contributions and legislative outcomes favorable and unfavorable to the payday loan industry in seven states. For this report, we examined the seven states where total industry contributions, as a percentage of total campaign contributions in that state, were the highest.

Idaho had the highest concentration of industry campaign contributions, with 0.5% of total campaign contributions coming from the industry during 1996-2006. The industry gave $2.9 million during 1996-2006 to candidates and parties in these seven states. Borrowers in these states paid $1 billion in loan fees in 2005 alone.

State	Campaign contributions from payday lending industry, 1996-2006	Total Loan Fees Paid Per State for 2005[6]
Idaho	$ 93,400	$ 28,863,311
Illinois	1,219,970	243,561,728
Kansas	112,025	33,794,424
South Carolina	192,500	206,505,000
Tennessee	281,200	147,577,147
Texas	903,610	287,747,237
Utah	76,200	76,988,551
TOTAL	**2,878,905**	**1,025,037,398**

Total industry giving increased over time in these seven states, the same general pattern as total giving to all 50 states:

Payday Loan Industry Contributions to ID, IL, KS, SC, TN, TX, and UT, by Election Cycle



[6] King, et al. "Financial Quicksand: Payday Lending sinks borrowers in debt with $4.2 billion in predatory fees every year." Center for Responsible Lending (2006), http://www.responsiblelending.org/pdfs/rr012-Financial_Quicksand-1106.pdf

For each of these states, we reviewed all bills relating to payday lending that legislators introduced from 1999 through 2006, using reports published by the National Conference of State Legislatures. We focused on (1) any bills that became law, and (2) any bills that would have significantly limited payday lending, whether or not they became law.

For each of these bills of focus, we collected all information available about how each legislator voted on each bill, using government records in each state. When individual voting records were available, we examined how much campaign contributions the industry gave to each legislator.

We found that during the last eight years, as total industry campaign contributions in these seven states increased, state laws allowed the industry to continue operating without significant restrictions.

Campaign Contributions and Legislative Votes

Campaign contributions are only one factor affecting legislator behavior. Some other factors, which we did not evaluate in this report, are industry lobbying, advocacy by community groups, and legislator philosophy. The correlation we found between industry giving and legislative outcomes does not show that one caused the other, and we do not make this claim. The purpose of this report is to reveal how contributions correlate with legislation, and with votes by legislators, so that citizens have key information needed to draw their own conclusions about how campaign contributions affect policy.

When a legislator receives campaign contributions from the payday loan industry, and then casts a vote favorable to that industry, the campaign dollars might have been a factor in convincing the legislator to cast that favorable vote. Or, the legislator might already have been inclined to vote that way; the industry might be providing funding to a legislator who already sympathizes with the industry's point of view.

In either case, campaign contributions can still distort public policy. Even if campaign contributions do not affect the opinion of a single legislator, campaign resources still flow to legislators who are most favorable to the industry. These industry-favorable legislators have more campaign funds and thus more resources to put towards their elections. Candidates who take positions contrary to industry interests are unlikely to receive industry funds and thus have fewer resources for their election campaigns.

No legislator has to change his or her views, or be corrupt, for money to influence legislation. Money might or might not buy an individual vote, but, in the aggregate, it can still distort public policy.

U.S. Congress

Federal legislation can have a substantial impact on the payday loan industry. In October 2006, for example, Congress passed the Talent-Nelson amendment, an amendment to the Defense Appropriations Bill that limited interest rates to 36% for payday loans to military personnel.

Active-duty military personnel are three times more likely than civilians to take out a payday loan.[7] According to a 2005 University of Florida study, payday lenders aggressively target military personnel.[8]

One senator, Tim Johnson, expressed concern that interest rate limits might spread to other groups. "This time it's military. Who's to say it isn't going to be widows and orphans or other sympathetic groups in the future?" he asked.[9]

Senator Johnson received $20,500 from the payday lending industry during 2005-2006, the fourth-highest total of any member of Congress. The payday lending industry contributed $625,3933 to Members of Congress during 2005-2006. These contribution figures are based on MAPLight.org's analysis of data provided by the Center for Responsive Politics.

Legislator	Campaign contributions from payday lending industry, 2005-2006	Rank among all Members of Congress
Davis, Geoff (R-KY)	$ 33,650	1
Kanjorski, Paul E (D-PA)	28,500	2
Tiberi, Patrick J (R-OH)	26,000	3
Johnson, Tim (D-SD)	20,500	4
Hensarling, Jeb (R-TX)	19,000	5
Sessions, Pete (R-TX)	18,200	6
DeWine, Mike (R-OK)	15,200	7
Price, Tom (R-GA)	15,000	8
Jones, Stephanie Tubbs (D-OH)	14,500	9
Clinton, Hillary (D-NY)	14,000	10
Ney, Bob (R-OH)	13,250	11
Stabenow, Debbie (D-MI)	12,500	12
Bachus, Spencer (R-AL)	12,500	13
Pryce, Deborah (R-OH)	12,000	14
Brown, Sherrod (D-OH)	11,750	15
Sherman, Brad (D-CA)	11,500	16
Santorum, Rick (R-PA)	11,400	17
Ross, Mike (D-AR)	11,250	18
Kelly, Sue (R-NY)	11,000	18
Scott, David (D-VA)	10,500	20

[7] Tanik, Ozlem, "Payday Lenders Target the Military," CRL Issue Paper No. 11, Sept. 29, 2005; available at http://www.responsiblelending.org/pdfs/ip011-PaydayMilitary-0905.pdf; accessed April 30, 2007.
[8] Peterson, Christopher Lewis and Graves, Steven M., "Predatory Lending and the Military: The Law and Geography of 'Payday' Loans in Military Towns," March 28, 2005; available at http://ssrn.com/abstract=694141; accessed April 30, 2007.
[9] "Military Lending, GSE Reform in Senate Dems' Sights," *American Banker*, November 15, 2006.

Methodology

Working with the National Institute on Money in State Politics (NIMSP), a nonprofit, nonpartisan research group, MAPLight.org assembled a list of companies involved in the payday loan industry. We added to this list the owners and executives of those companies and their spouses, when this information was publicly available. This list produced campaign donations associated with 72 companies.

For each of the entities (companies and people) on this industry list, NIMSP provided us with records of all campaign contributions made to state candidates and elected officials in all 50 states, from Jan. 1, 1996 through mid-2006, the latest data NIMSP had available.

We used this contribution data to determine the total industry contributions for each state. We compared each state total from the payday loan industry with state total campaign giving from all sources, and focused our analysis on the ten states where industry contributions made up the largest percentage of total campaign contributions.

Next, in each of these ten states, we identified legislation relevant to the payday loan industry, during the time 1999-2006. We relied on previous research by the National Council of State Legislators to assist in finding relevant legislation. We focused on (1) any bills that became law, and (2) any bills that would have significantly limited payday lending, whether or not they became law.

For each bill, we collected the roll call of each vote from public record sources in each of the ten states. We were able to obtain roll call vote information for each state except South Carolina. We combined the record of how each legislator voted with their total campaign contributions received from the industry, in order to determine the average industry contribution to legislators who voted for or against each bill.

As of May 2007, when this report was published, campaign contribution data was available through the middle of 2006 (the portion of 2006 available varied by state). Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase. Thus, a reduction in contributions from the 2003-2004 election cycle to the 2005-2006 election cycle in our report might not reflect an actual decrease in total contributions, once all the 2006 data becomes available.

Idaho

Almost all campaign contributions from the payday loan industry to Idaho lawmakers—97.3%—came from outside Idaho. This was the highest out-of-state percentage of any state we examined.

In Idaho, two bills relating to payday lending were introduced from 1999-2006.

S.B. 1405, introduced in February 2000, would have set a 36% annual interest rate for loans, severely restricting the payday loan industry. This bill was sent to the Commerce and Human Resources Committee, where it died.

H.B. 206 was introduced in 2003 in order to "define and codify the preferred payday lending business practices in the State of Idaho," in the words of the bill. This bill was favorable towards industry. It did not restrict interest rates, allowing lenders to charge effective annual interest rates of 500% or more. The bill also did not curtail the practice of continually extending debt, because it allows a borrower to enter into a new loan transaction at any time after repaying a loan.

This bill passed nearly unanimously in the Senate and House:

House Floor Vote, March 3, 2003: 66 Yes, 2 No, 2 Abstain
Senate Floor Vote, March 20, 2003: 34 Yes, 1 Abstain

Governor Dirk Kempthorne signed the bill into law March 31, 2003. He received $20,550 from the payday lending industry during 2002-2004.

Legislators in the 2003 Idaho legislature who received the most funds from the payday loan industry were:

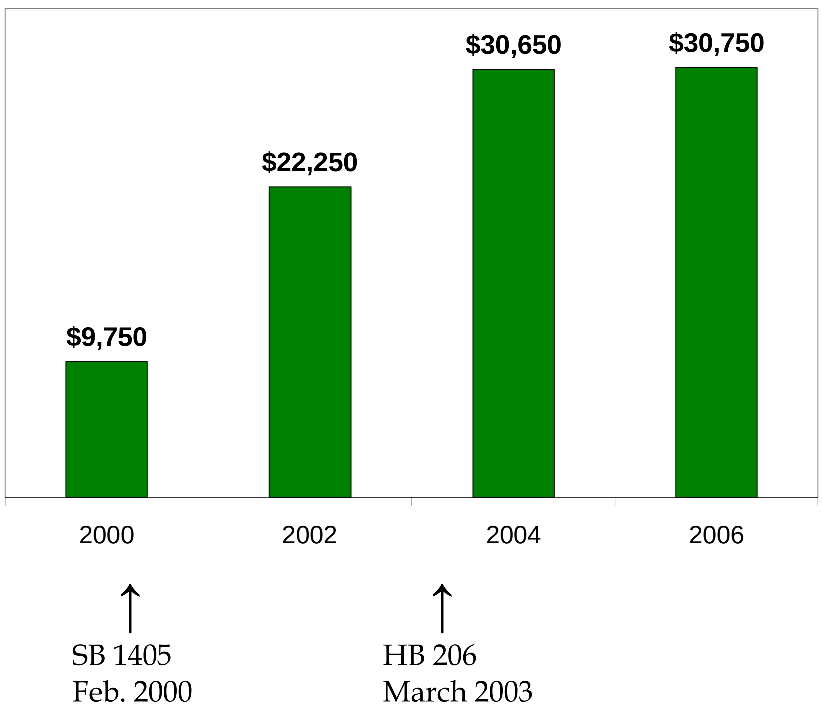
Legislator	Total received from payday lending industry, 1996-2006	Rank
Black	$ 2,600	1
Deal	2,450	2
Newcomb	1,750	3
Gagner	1,100	4
Collins	1,050	5
Ellsworth	1,050	5
Snodgrass	1,000	7
Crow	800	8
Meyer	750	9
Henbest	600	10

Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Idaho Contribution Summary

The payday lending industry gave $93,400 to all Idaho state-level candidates from 1996-2006. $2,250 went to Democrats (2%), while $91,150 went to Republicans (98%).
97% of the $93,400 total ($90,900) came from outside of Idaho.

Payday Loan Industry Contributions to Idaho Candidates and Parties, by Election Cycle



Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Illinois

According to the National Conference of State Legislators, fifty-four payday-loan-related bills were introduced in the Illinois legislature from 1999-2006. None of these 54 bills included either of the two key provisions that substantially limit payday loans: restricting annual interest rates to 36% or less; and limiting "loan-flipping"—preventing loans from being extended more than three times.

Three of these bills became law. Two of them merely directed state bodies to study the industry and report on their findings. These two were H.R. 164 and S.R. 42, both enacted in 1999.

The one substantive bill that become law, in 2005, was the Illinois Payday Loan Reform Act, H.B. 1100. This bill capped finance charges at $15.50 per $100 borrowed (403% APR for a two-week loan) and allows back-to-back loans, even though individual loans may not be renewed (flipped).

The Consumer Federation of America said of this bill: "The Illinois Payday Loan Reform Act was supported by most consumer and community groups as a step forward, but not as a model for the rest of the country. A large coalition of groups had fought unsuccessfully for a usury rate cap and more stringent rules, but failed to overcome the influence of large lenders."[10]

The final House vote on this bill was taken on April 12, 2005. The bill passed unanimously (117 Yes, 1 Excused). Eighty-four percent of House members—99 out of 118— received funds from the industry—an average of $2,192 per legislator for all legislators. The top recipient was Angelo Saviano, who received 36,850. (Time period of contributions: 1996-2006.)

The final Senate vote on this bill was taken on May 19, 2005. The bill passed nearly unanimously in the Senate. (57 Yes/ 1 No/ 1 Not Voting). 52 Senators—88% of them—received funds from the industry. Industry contributions averaged $2,958 per legislator. The top recipient was Senate Republican Leader Frank Watson who received $29,600. (Time period of contributions: 1996-2006.)

From Feb. 8, 2005, the day this bill was introduced, to June 9, 2005 the day Governor Blagojevich signed this bill into law, the industry contributed $69,800 to 19 legislators and two Democratic and Republican party groups, including $12,900 to Governor Rod Blagojevich, $2,000 to the House Republican Organization and $1,500 to the Senate Democratic Fund.

Forty-two percent of this $69,800 came from outside of Illinois ($29,000 from Cottonwood Financial and Cash America in Texas, plus $400 from QC Financial Services in Kansas).

[10] "Illinois Payday Loan Reform Act is Not a Model for Other States," Consumer Federation of America.

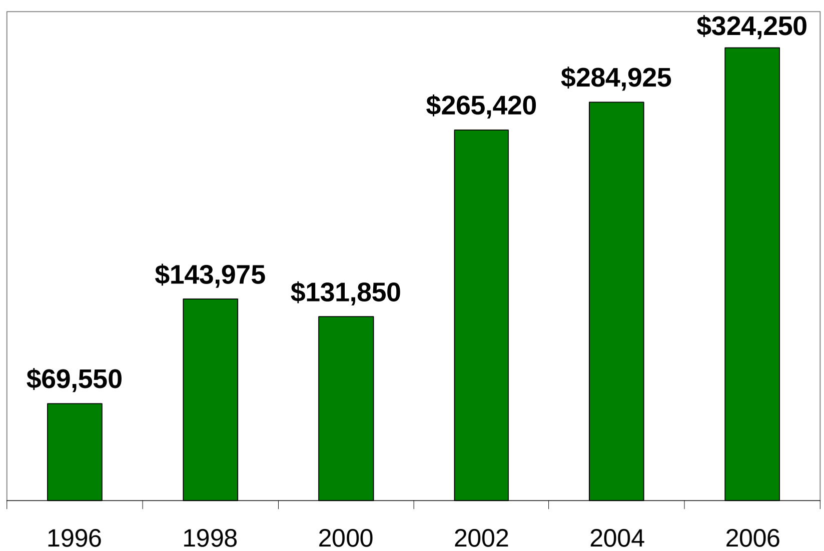
H.B. 1100 was signed into law on June 9, 2005 by Gov. Blagojevich, who received $172,250 from the payday lending industry during 2001-2006.

Illinois Contribution Summary

The payday lending industry gave $1,219,970 to all Illinois state-level candidates from 1996-2006. $721,200 went to Democrats (59%), while $498,770 went to Republicans (41%).

50% of the $1,219,970 total ($611,845) came from outside of Illinois.

Payday Loan Industry Contributions to Illinois Candidates and Parties, by Election Cycle



↑↑ HR 164 & SR 42
March & May, 1999

↑ HB 1100
June, 2005

Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Kansas

Kansas legislators introduced nine laws related to payday lending from 1999-2006.

Three of these bills passed:

H.B. 2193 in 2001
H.B. 2685 in 2004
H.B. 2172 in 2005

These bills made minor changes to payday lending regulations. None of the bills significantly restricted payday lending, as each bill allowed payday lending at triple-digit interest rates and continuing extension of debt.

H.B. 2685 included a provision to prohibit loan contracts that waive consumer rights, a provision that is positive for consumers.

One bill that failed to pass, S.B. 272 in 2000, would have significantly curtailed payday lending, restricting annual interest rates to 36%. This bill died in committee.

Legislator	Total received from payday lending industry, 1996-2006	Rank
Morris, Stephen R	$ 2,500	1
Teichman, Ruth	2,000	2
Hensley, Anthony	1,750	3
Vratil, John L	1,750	3
Cox, Ray L	1,500	5
Mays, Doug	1,500	5
McKinney, Dennis	1,250	7
Burroughs, Tom	1,250	7
Grant, Robert (Bob)	1,150	9
Proehl, Richard J	1,000	10
Pine, Roger C	1,000	10
Thull, Tom	1,000	10
Apple, Pat	1,000	10
Newton, Dean	1,000	10
Reitz, Roger P	1,000	10

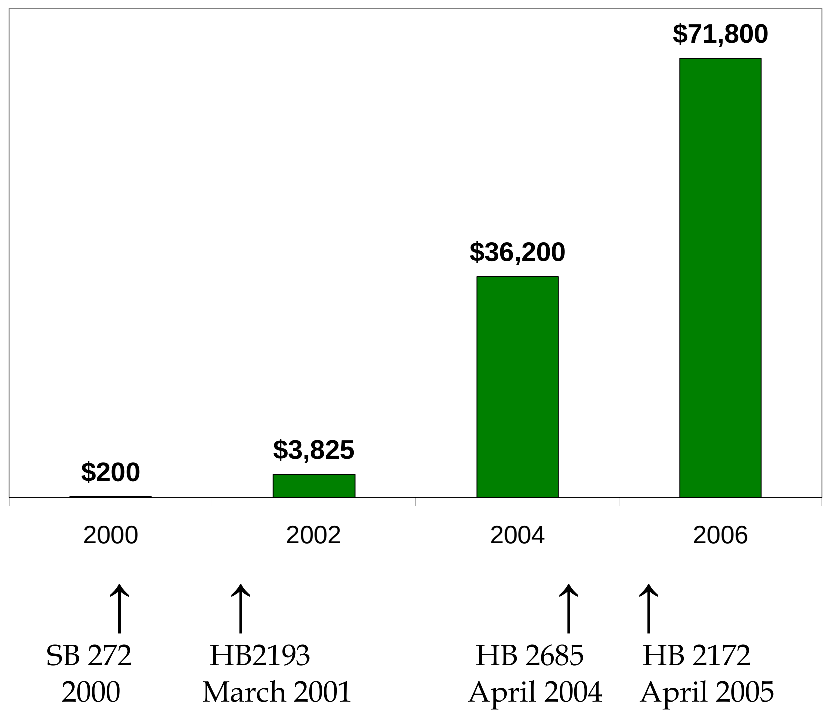
Kansas Contribution Summary

The payday lending industry gave $112,025 to all Kansas state-level candidates from 1996-2006. $32,725 went to Democrats (29%), while $79,300 went to Republicans (71%).

12% of the $112,025 total ($13,450) came from outside of Kansas.

Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Payday Loan Industry Contributions to Kansas Candidates and Parties, by Election Cycle



Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

South Carolina

From 1999-2006, South Carolina legislators introduced 16 bills relating to the payday loan industry. None of these bills would have significantly curtailed payday lending either by limiting interest rates to double-digits, or by curtailing the continuous extension of loans.

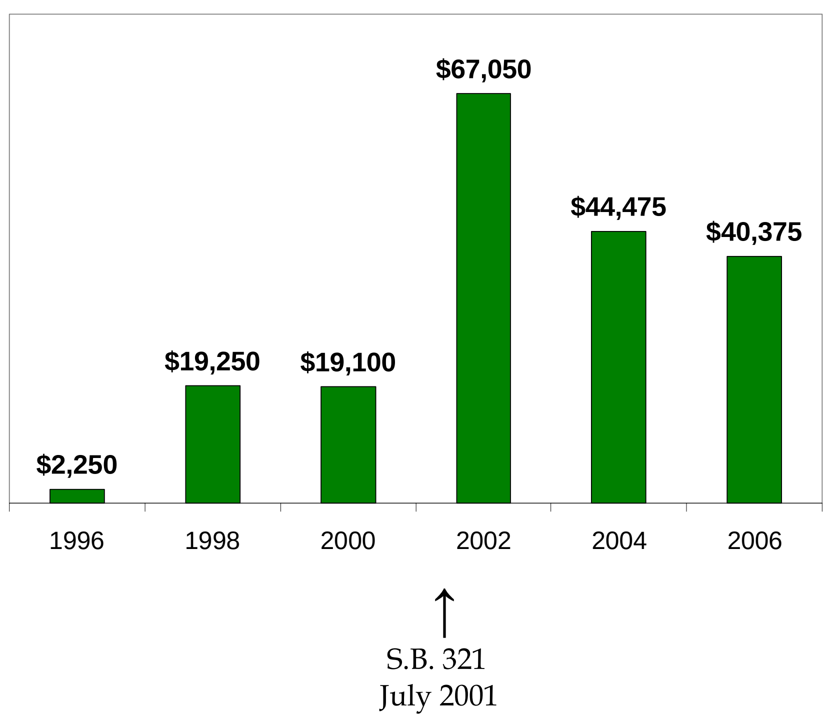
Governors Jim Hodges (1999-2003) and Mark Sanford (2003-present) received a total of $24,500 in industry campaign contributions from 1997 to 2006. $17,500 went to Hodges, while $7,000 went to Sanford.

South Carolina is the home state of Advance America, headquartered in Spartanburg. Advance America and its directors and executives contributed $2,038,791 to state-level candidates in all states from 1996-2006—more than any other payday loan company. Advance America contributed $90,600 of these funds to South Carolina politicians.

South Carolina Contribution Summary

Payday lenders gave state-level candidates in South Carolina $192,500 from 1996-2006.
They gave $81,575 to Democrats (42%), and $110,925 to Republicans (58%).
50% of the $192,500 total ($96,650) came from outside of South Carolina.

Payday Loan Industry Contributions to South Carolina Candidates and Parties, by Election Cycle



Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Tennessee

In March of 1999 Tennessee enacted a critically important bill for the industry, S.B. 49. This brief, four-line bill repealed a "sunset clause" in a previous law that made payday lending legal. If S.B. 49 had not passed, payday lending would have stopped being legal on October 1, 1999. The sponsor of this bill, Robert Rochelle, received $4,500 from the payday loan industry from 1996-2006..

None of the other six payday-lending-related bills introduced from 1999-2006 would have significantly limited the industry. Two of these bills were enacted, both in 2001. S.B. 287 allowed payday lenders to charge additional fees for bounced checks. Robert Rochelle sponsored this bill too.

The final vote on S.B. 287 was on the House floor on March 5, 2001. The bill passed by a vote of 55 Yes to 43 No (1 abstention) on March 5, 2001. Legislators who voted in favor of the bill received almost four times as much, on average ($726) as legislators who voted against the bill ($193).

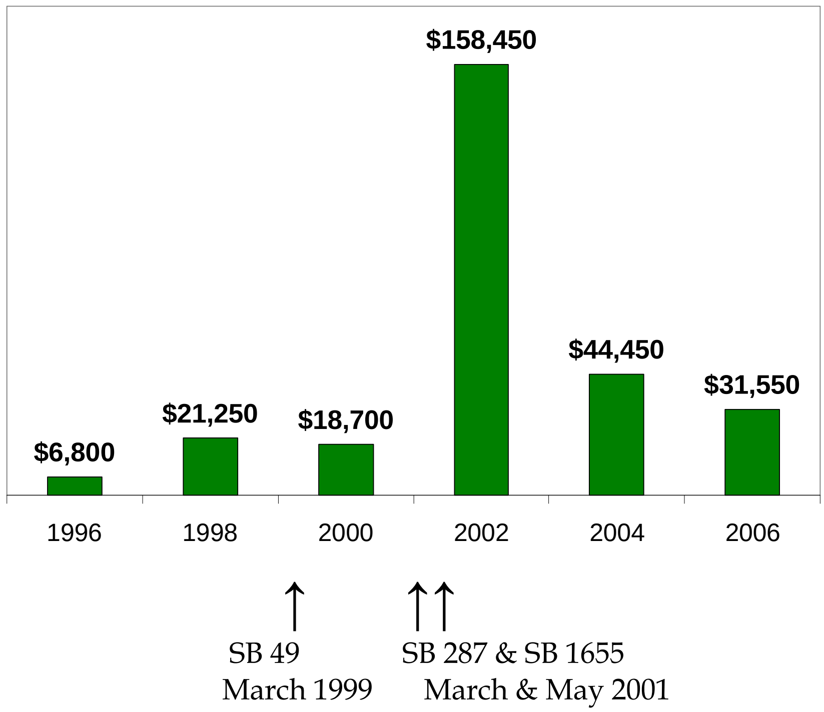
S.B. 1655 was also enacted in 2001. This bill made minor changes and established new recordkeeping and disclosure requirements. Some aspects of the bill were favorable to the industry, such as limiting the cost to a company of a state audit, while others were unfavorable to the industry, such as allowing state regulators to examine a lender's books without notice.

Both bills were signed into law by Governor Sundquist, who received $8,500 from the industry during 1996-2003.

Tennessee Contribution Summary

The payday lending industry gave $281,200 to all Tennessee state-level candidates from 1996-2006. $82,500 went to Democrats (29%), while $198,700 went to Republicans (71%). 15% of the $281,200 total ($43,800) came from outside of Tennessee.

Payday Loan Industry Contributions to Tennessee Candidates and Parties, by Election Cycle



Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Texas

Texas legislators introduced 11 bills affecting payday lending from 1999-2006.

The one bill that became law, S.B. 1479 in 2005, did not significantly change payday lending, as it did not cap interest rates or prevent loan extensions.

This bill passed unanimously in the Senate (30 Yes votes, 1 abstain).

<u>All 31 Texas Senators received campaign contributions from the payday lending industry—an average of $8,269 each.</u> These were the 31 Senators in office on April 11, 2005, when they voted on S.B. 1479. All voted Yes except Chris Harris, who abstained:

Senator	Total received from payday lending industry, 1996-2006	Rank
Harris, Chris	$ 19,550	1
Brimer, Kim	16,533	2
Averitt, Kip	16,250	3
Carona, John	15,000	4
West, Royce	11,500	5
Hinojosa, Juan (Chuy)	11,500	5
Lucio, Eddie	11,000	7
Williams, Tommy	9,600	8
Van de Putte, Leticia	9,550	9
Shapiro, Florence	9,000	10
Janek, Kyle	8,500	11
Duncan, Robert	8,105	12
Whitmire, John	8,000	13
Wentworth, Jeff	8,000	13
Gallegos, Mario	8,000	13
Estes, Craig	8,000	13
Ogden, Steve	7,500	17
Fraser, Troy	7,500	17
Deuell, Robert F.	7,000	19
Seliger, Kel	6,500	20
Jackson, Mike	6,500	20
Shapleigh, Eliot	5,500	22
Madla, Frank	5,500	22
Zaffirini, Judith	5,000	24
Ellis, Rodney	4,750	25
Nelson, Jane	4,500	26
Barrientos, Gonzalo	4,500	26
Armbrister, Ken	4,000	28
Eltife, Kevin	3,500	29
Staples, Todd	3,000	30
Lindsay, Jon	3,000	30

Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

S.B. 1479 also passed in the House, by voice vote on May 25, 2005. Of all 150 House members in office during 2005, 76 received industry contributions, averaging $3,147 during 1996-2006.

The House members who received the most funds from the payday loan industry were:

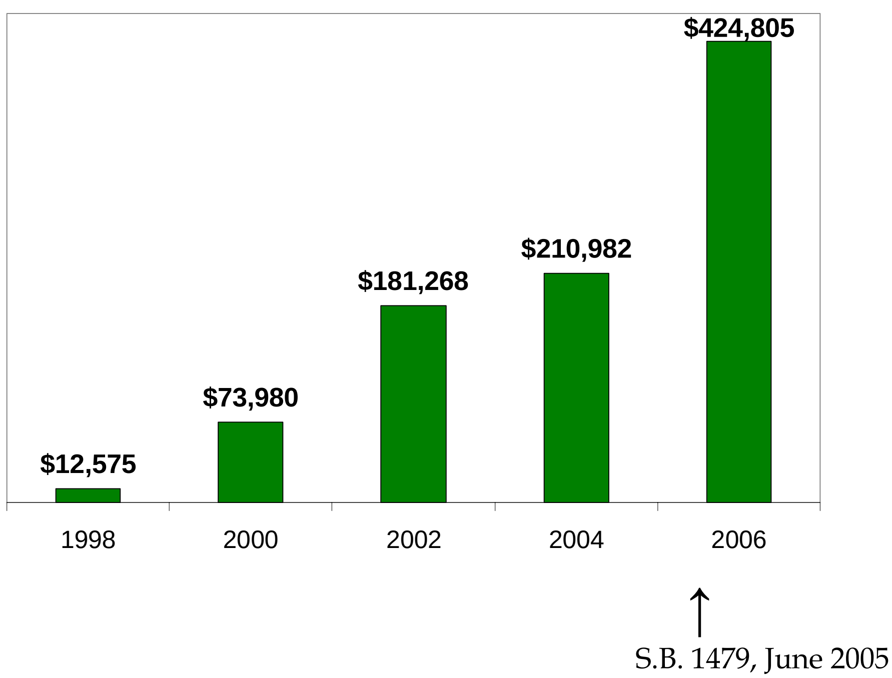
House Member	Total received from payday lending industry, 1996-2006	Rank
Craddick, Tom (Speaker)	32,317	1
Solomons, Burt	20,500	2
Flynn, Dan	10,750	3
Pitts, Jim	8,750	4
Hopson, Chuck	6,750	5
Kolkhorst, Lois W	6,500	6
McCall, Brian	6,100	7
Goolsby, Tony	6,000	8
Grusendorf, Kent	5,000	9
Ritter, Allan B	5,000	9

Governor Rick Perry signed this bill into law on June 17, 2005. He received $90,250 from payday lenders from 1999- 2006.

Texas Contribution Summary

The payday lending industry gave $903,610 to all Texas state-level candidates from 1996-2006. $271,350 went to Democrats (30%), while $632,260 went to Republicans (70%). 4% of the $903,610 total ($35,142) came from outside of Texas (two of the largest payday lending groups are headquartered in Texas).

Payday Loan Industry Contributions to Texas Candidates and Parties, by Election Cycle



Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Utah

Utah legislators introduced fourteen payday-loan-related bills from 1999 to March 2007, and three were enacted.

In 2003 the legislature enacted H.B. 189 and S.B. 130, which made minor modification to payday lending rules (H.B. 189 was significant for another type of lending; it authorized car title lending in Utah).

In 2005 the legislature enacted S.B. 138, which allows lenders to obtain, for defaulted loans, interest at the federal post-judgment interest rate plus 2%. Interest is charged not only on the amount of the defaulted loan, but also on interest for 12 weeks after the default, on attorney's fees and costs, and any other amounts allowed by law or as a judge allows. The sponsor of this bill, Ed Mayne, received $8,500 from the industry from 1996-2006—more industry contributions than any other Utah legislator.

Governor Huntsman, who did not receive industry funds, signed this bill into law on March 17, 2005.

A bill introduced in 2006, H.B. 462, would have restricted interest rates. The bill was referred to a House committee, where it died.

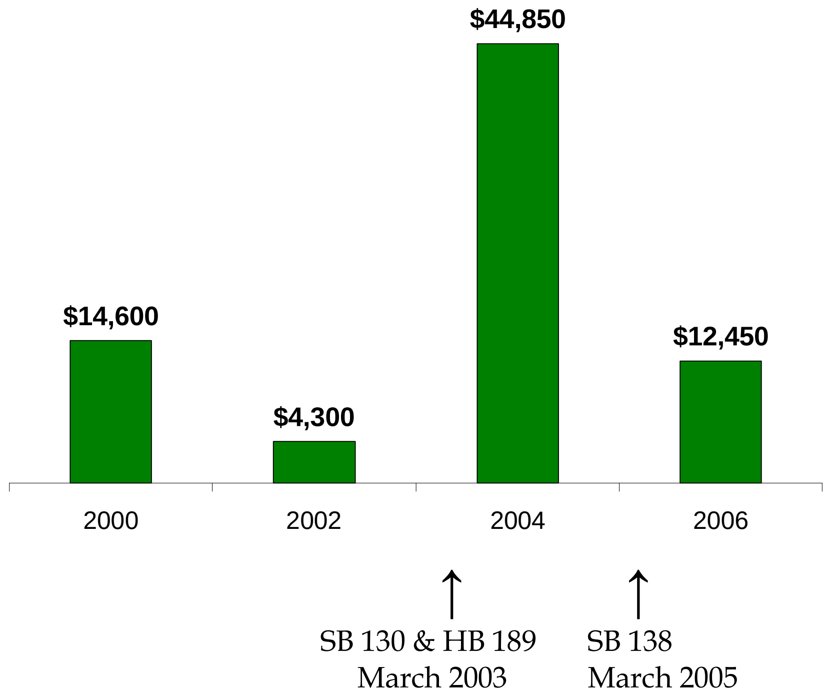
The industry gave $76,200 to Utah legislators from 1996-mid-2006. $44,850 of industry funds—59 percent—were given during the 2003-2004 election cycle, the years before passage of S.B. 138, the bill to allow post-judgment interest collection.

Utah Contribution Summary

The payday lending industry gave $76,200 to all Utah state-level candidates from 1996-2006. $32,700 went to Democrats (43%), while $43,500 went to Republicans (57%). 84% of the $76,200 total came from outside of Utah.

Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

Payday Loan Industry Contributions to Utah Candidates and Parties, by Election Cycle



Note: Campaign contribution data collection for 2006 is ongoing; totals for 2006 may increase.

About MAPLight.org

MAPLight.org illuminates the connection between money and politics. We shine a light on campaign contributions and show their related legislative outcomes, which leads to a more informed public and election reform. Our groundbreaking website provides unprecedented transparency for campaign contributions and legislative votes. We are nonprofit and nonpartisan.

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