



Oklahoma Gov. Fallin vetoes payday loan bill

By Randy Ellis

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Oklahoma Gov. Fallin is urging state lawmakers to act on revenue-raising legislation. (AP Photo/Sue Ogrocki)

A payday loan bill that had drawn strong opposition from many church leaders because of its financial impact on low-income families was vetoed Friday by Gov. Mary Fallin.

"House Bill 1913 adds yet another level of high interest borrowing (over 200 percent APR) without terminating or restricting access to existing payday loan products," Fallin said in her veto message. "In fact, I believe that some of the loans created by this bill would be **MORE EXPENSIVE** than the current loan options."

APR stands for annual percentage rate.

Fallin said Oklahoma law currently limits a borrower to a \$1,000 loan from payday loan institutions, but the bill would have allowed a borrower to receive a loan for an

additional \$1,500, "thus stacking their liabilities for repayment on these high interest loans."

The governor noted Oklahomans already have access to a variety of high interest small loan options. Fallin said she vetoed a previous payday loan bill in 2013 because of her "concerns with the frequency low-income families in Oklahoma were using these lending options, and the resulting high cost of repayment to those families."

Fallin urged lawmakers to seek advice from all stakeholders, including consumer advocates, mainstream financial institutions and her office, if they choose to revisit the issue.