

1 B-30

Presented by the Administration and Councilors
Vic Pallotta, Vince Rubino, Mary Ellen Pyke, Mary Nichols-Rhodes,
Mike Brillhart, Adam Miller, Jerry James, Russ Iona,
Jeff Iula, Paul Colavecchio and Carol Klinger

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7 CITY OF CUYAHOGA FALLS, OHIO

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9 RESOLUTION NO. / - 2017

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11 A RESOLUTION EXPRESSING SUPPORT FOR OHIO HOUSE
12 BILL 123 WHICH WILL CLOSE AN EXISTING LOOPHOLE
13 AND CAP THE ANNUAL INTEREST RATE FOR PAYDAY LOAN
14 LENDERS, AND URGING THE OHIO LEGISLATURE AND
15 GOVERNOR KASICH TO SUPPORT THE SAME, AND
16 DECLARING AN EMERGENCY.

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18 WHEREAS, Ohio has the highest payday loan rates in the nation and more than a
19 million Ohio residents have taken out high cost payday loans; and

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21 WHEREAS, Ohio payday loan rates average an annual percentage rate of 591 percent
22 and a resident who has a \$300 payday loan out for five months must pay back more
23 than double the amount (\$680) in interest and fees alone; and

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25 WHEREAS, the Ohio General Assembly passed legislation in 2008 capping payday
26 lending rates at 28 percent; and

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28 WHEREAS, payday lending companies have utilized a loophole under Ohio's Mortgage
29 Loan Act for several years enabling them to continue charging extremely high interest rates
30 despite the legislation passed by the Ohio General Assembly and the results of the
31 referendum; and

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33 WHEREAS, Ohio House Bill 123 (HB 123) was introduced March 9, 2017 in a bipartisan
34 manner by Representative Michael Ashford (D-44) and Representative Kyle Kochler (R-
35 79); and

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37 WHEREAS, HB 123 would amend the Ohio Mortgage Loan act and set limits on the
38 annual interest rate payday lenders can charge at 28 percent and also ensures monthly
39 payments do not exceed five percent of a borrower's gross monthly income; and

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41 WHEREAS, this Council finds and determines, after reviewing all pertinent
42 information, that it is necessary and in the best interest of the City of Cuyahoga Falls to
43 support Ohio House Bill 123 which closes the existing loophole by setting limits to
44 payday lending rates, and urges the Ohio Legislature and Governor Kasich to do the
45 same.

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47 NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Cuyahoga Falls,
48 County of Summit and State of Ohio, that:

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Section 1. This Council hereby expresses support for HB 123 in an effort to eliminate some of the financial burden faced by many Ohio residents after borrowing money from payday loan lenders.

Section 2. The Clerk of Council is hereby authorized and directed to forward a copy of this Resolution to all members of the City of Cuyahoga Falls Ohio Legislative Delegation and Governor Kashich's Office.

Section 3. It is found and determined that all formal actions of this Council concerning and relating to the adoption of this resolution were adopted in an open meeting of this Council, and that all deliberations of this Council and of any of its committees that resulted in such formal action, were in meetings open to the public, in compliance with all legal requirements, to the extent applicable, including Chapter 107 of the Codified Ordinances.

Section 4. This resolution is hereby declared to be an emergency measure necessary for the preservation of the public peace, health, safety, convenience and welfare of the City of Cuyahoga Falls and the inhabitants thereof, and provided it receives the affirmative vote of two thirds of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise it shall take effect and be in force at the earliest period allowed by law.

Passed: 4-24-17

May Ellen Pyke
President of Council

D. M. Lawrence
Clerk of Council

Approved: 4-25-17

[Signature]
Mayor

4/10/17