

Jubilee Weekend 2016 Action Handbook

Love Your Neighbor

As part of your Jubilee Weekend service or event, we invite you to take action with us to build an economy that serves, protects and promotes the participation of the most vulnerable.

This year's theme is "Love Your Neighbor." Jubilee faith communities will act and pray for responsible lending and borrowing in our domestic economy, for an end to debt crises in Puerto Rico and communities across the US and for an end to predatory "payday" and student lending practices.

Please contact Darby Finch at (202) 783-3566 x106 or at policy@jubileeusa.org if you want more materials, have ideas for Jubilee Weekend or need answers to logistical questions.

Remember to spread the word about Jubilee Weekend!

More ways to help proclaim Jubilee:

- Let your local press know what you have planned. Many smaller local papers are glad to get information about communities getting involved in social justice. Even if your event seems small, many people would be glad to know what you are doing. Jubilee has resources available to help you write a press release. If you are interested, contact us at policy@jubileeusa.org or at (202) 783-3566 x106.
- Have your clergy or faith leader share what you are doing for service at local clergy meetings. Also, many denominations are part of Jubilee's national Network Council, and some have statements about our work on their websites. You can print out your denomination's statement on our issues to be available for congregation members. A list of Network Council members can be found at www.jubileeusa.org/about-us/team/network-council.html.
- Set up a prayer corner in your house of worship. Pray for people living in poverty and for world leaders who make decisions about international and domestic finance. Include pictures and short facts. Have a place for individuals to light candles and a journal to write prayers. If the prayer space is in the sanctuary, you might invite people who wish to visit the prayer station to do so at appropriate times during the service.

Thank you for participating in Jubilee Weekend 2016!

Please reach out to us anytime if you have questions or want more information by contacting:

Jubilee USA Policy Associate Darby Finch

(202) 783-3566 x106

policy@jubileeusa.org



Payday Lending

Jubilee USA promotes debt, tax and trade policies to end poverty and solve financial crisis. Our efforts build an economy that serves, protects and promotes the participation of the vulnerable.

Background

Payday lending is a \$40 billion industry that provides small, short-term loans due on the borrower's next payday. These loans often come with various fees that can greatly increase the cost of borrowing, especially if one loan is paid off by taking on another loan. Consumers often turn to payday loans as a "last resort" source of credit in times of financial stress to pay bills or meet other financial obligations. Payday loans are often aimed at consumers who have little or no access to traditional credit products and may be living paycheck-to-paycheck.



The Problem

Payday loans offer quick cash but with significant costs. The average payday loan carries an annual interest rate of almost 400% with additional fees and penalties. Payday lenders often require access to the borrower's bank account as a guarantee of repayment, which can result in overdraft charges if the borrower does not have sufficient funds for repayment.

Payday lending can trap borrowers into a cycle of debt and poverty, sometimes compelling borrowers to take out 10 or more consecutive loans simply to pay off the initial loan. Eighty percent of short-term loans are re-borrowed in a month, and over fifty percent of all short-term loans are followed by at least 3 or more additional loans.

Payday loans disproportionately impact low-income populations and minority communities. Half of payday loan borrowers earn less than \$25,000 per year. The majority have little to no savings or access to other forms of credit and sixty-nine percent of borrowers reported that payday loans covered a "recurring expense." Predominantly African-American neighborhoods have three times as many payday lending stores as predominantly white neighborhoods. Borrowing rates are 2 to 3 times higher for African-Americans.

Get Involved

Jubilee USA works at the federal and state level to advance policies that promote responsible lending and borrowing and protect consumers from predatory lending practices. To get involved, please contact Andrew Hanauer at andrew@jubileeusa.org or (202) 783-3566.

Jubilee USA Network is an alliance of more than 75 US organizations and 550 faith communities working with 50 global partners. Jubilee's mission is to build an economy that serves, protects, and promotes the participation of the most vulnerable. Jubilee USA has won critical global financial reforms and more than \$130 billion in debt relief to benefit the world's poorest people.



Student Debt

Jubilee USA promotes debt, tax and trade policies to end poverty and solve financial crisis. Our efforts build an economy that serves, protects and promotes participation of the vulnerable.

High Costs, High Debt

A college degree offers young people greater access to good jobs – but that degree becomes more expensive each year. As college tuitions rise, millions of students take out loans, and many leave college with substantial debt.



The Student Debt Crisis At A Glance

- Total outstanding US student debt is over \$1.3 trillion.
- Outstanding student debt nearly tripled from 2005-2016.
- Student debt is the second largest category of private debt in the US, surpassed only by home mortgage debt.
- Tuition at public US 4-year universities increased over 300% from 1985 - 2016.
- The average 4-year college graduate accumulated over \$37,000 of student debt in 2016, compared with \$9,000 in 1993.
- Seven out of ten college graduates borrowed to pay for their education.

Jubilee USA and Student Debt

Jubilee USA has won over \$130 billion in debt relief for the world's poorest people. We work to embed responsible lending and borrowing principles into our economy and to end predatory financial behavior around the world and right here at home on our college campuses.

Each year, Jubilee USA hosts Jubilee for Students Weekend, an interfaith prayer event that raises the student debt issue's profile with Congress and the media. Faith communities across the country act and pray for affordable education and responsible student lending and debt policies. For several years in a row, Jubilee for Students Weekend helped prevent planned federal student loan interest rate hikes. Our work on student debt is featured in news outlets such as the *Washington Post* and the *National Catholic Reporter*.

Get Involved

To get involved in our student debt work, contact policy@jubileeusa.org or call us at (202) 783-3566 x106. To learn more, visit: <http://www.jubileeusa.org/get-active/events/jubilee-forstudents.html>

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Jubilee USA Network – 212 East Capitol St NE – Washington, DC 20003 – www.jubileeusa.org

Jubilee Weekend 2016

Take Action

Thank you for joining us to take action this Jubilee Weekend. If you belong to a faith community that chooses not to participate in these actions on a day of worship, you can schedule a time to act as a community that is appropriate to your faith tradition.

PAYDAY LENDING

1. **Call Congress** - Call your members of Congress at **(202) 224-3121** and urge them to support the Consumer Financial Protection Bureau's efforts to promote responsible lending and borrowing in the payday loan industry. Urge your member of the House of Representatives to oppose The Consumer Protection and Choice Act (HR 4018). If you call your Senators, urge them to oppose any similar legislation that may be introduced in the future. You can call on a weekend and leave a message.

Talking Points:

- Payday lending and other predatory lending hurts vulnerable Americans.
- The Consumer Financial Protection Bureau (CFPB) is doing important work to promote responsible lending and borrowing. Please support those efforts.
- Please oppose the Consumer Protection and Choice Act (HR 4018) or any Senate version of that bill. It would undermine the CFPB's efforts.

2. **Contact Your State Legislature** - Contact your state legislators and urge them to support a 36% interest rate cap on small-dollar loans. If your state already has a cap, contact your legislators and express your support for the cap and urge them to oppose any efforts to repeal it. For a list of states that have rate caps, visit <http://www.pewtrusts.org/en/multimedia/data-visualizations/2014/state-payday-loan-regulation-and-usage-rates>

Talking Points:

- Payday lending and other predatory lending hurts vulnerable Americans.
- A 36% cap on interest rates is a common sense approach to prevent predatory lending. Currently the average interest rate on payday loans is over 390% annually.
- A diverse range of states have already implemented this rule, including Arizona, Arkansas, Maine and many more.

3. **Help Your Community Offer Alternatives to Payday Loans** – Congregations, groups and even individuals can serve their community by offering responsible loan alternatives to payday lending. Your community can:

- Work with a local credit union to learn more. To find a credit union near you, visit: <https://www.ncua.gov/analysis/Pages/locate.aspx>
- Sign up to participate in an existing faith-based payday loan alternative program.
 - The Jubilee Initiative of the California-Nevada Conference of the United Methodist Church: <http://umfcu.org/jubilee-initiative/>
 - Exodus Lending of Minneapolis, MN dedicates itself to getting people out of payday lending debt by offering financial counseling and refinancing predatory loans, allowing participants to pay back what they originally borrowed with no interest and no fees over the course of a year. Read more at: <http://exoduslending.org/>

(Please note Jubilee USA does not officially endorse the initiatives listed above – they are given as examples that communities are free to research and explore)

4. Host a Payday Lending Movie Screening – The documentary film *The Ordinance* depicts the efforts by faith and community leaders in Temple, Texas to restrict predatory lending. The film is just over 30 minutes long and is a great way to introduce community members to the topic of payday lending and why it matters. If you're interested in hosting a screening of *The Ordinance*, contact Darby Finch at policy@jubileeusa.org and put "Documentary" in the subject line.

PUERTO RICO

This September, Jubilee USA submitted comments to a newly formed Congressional taskforce examining how the Federal Government can reform laws and programs to benefit Puerto Rico. Thanks to your support and Jubilee USA's efforts, we amended Puerto Rico legislation to ensure that this taskforce specifically addresses Puerto Rico's child poverty crisis.

Please email your members of Congress and share with them our letter to the taskforce. Ask your representatives to support the changes to Federal law that Jubilee USA advocates for.

Talking Points for Your Email:

- Puerto Rico is in crisis – nearly 60% of children live in poverty and the island is cutting basic services in the midst of its debt crisis.
- Congress can act to address Puerto Rico's debt and humanitarian crisis by changing how some federal laws and programs apply to Puerto Rico.
- My community partners with a religious anti-poverty coalition called Jubilee USA that works closely with Puerto Rico's religious leaders to address the crisis. Jubilee submitted recommendations to the new Congressional taskforce on economic growth in Puerto Rico and I urge you to support those recommendations. Their letter is available here: [http://jubileeusa.org/fileadmin/user_upload/Jubilee PR Taskforce submission.pdf](http://jubileeusa.org/fileadmin/user_upload/Jubilee_PR_Taskforce_submission.pdf)

Thank you for acting to stop predatory lending and promote solutions to poverty and inequality in our domestic economy.