

# Renewal Financial Services, LLC



1717 Estacado Drive \* Allen, TX, 75013

April 19, 2016

Senator Tim Neville, Chairman  
Senate Finance Committee  
State of Colorado  
Denver, Colorado

Dear Chairman Neville and Finance Committee Members:

I am writing to encourage you to pass Senate Bill 185 to ensure that consumers in Colorado have access to mainstream financial services. Having access to these services is critically important to improving and stabilizing the economy.

Unfortunately, many communities across the country, particularly in Colorado, are unable to access these services. Often, these neighborhoods are comprised of the poor, minorities, and individuals with subprime or no credit. They do not qualify for bank loans or more traditional forms of credit. They are at a distinct disadvantage because often their only option is predatory lenders. This further traps them in a vicious cycle of debt which becomes increasingly difficult to overcome with each financial emergency or need.

It is true that some groups decry the need for installment lenders. However, the current climate that exists in Colorado was created, in part, by the exodus of several installment lenders. Those lenders were essentially forced out of the state because of onerous regulations that failed to recognize the real needs of consumers. As a result, only two lenders remain that are willing and able to provide ethically and financially responsible loans to consumers who desperately need it.

If this Senate bills fail, consumers will be left with even fewer options such as title loans or payday loans that charge exorbitant interest rates. This will create a downward spiral which will have a deleterious effect on the state's economy. More and more residents could be forced into bankruptcy because of their inability to pay their bills. Businesses that remain unpaid could be forced to shut their doors. Economic recovery and growth would be disrupted.

Both the National Black Caucus of State Legislators (NBCSL) and the National Hispanic Caucus of State Legislators (NHCSL) have recognized the need for offering mainstream financial services to their constituents. As a result, both organizations have passed federal resolutions with the goal of protecting the communities they represent while, simultaneously, ensuring they have access to much needed finances to help care for their families.

The financial services allowed by these bills would make sure lenders undertake appropriate underwriting, which includes verifying the consumer's income, ensuring the consumer does not have multiple existing loans, examining the consumer's debt-to-income ratio to ensure there is appropriate cash flow to repay the loan, and other efforts to minimize risks to the consumer and the lender. The result is a win-win for consumers and businesses.



In closing, these bills will meet real needs for everyone. Your support will demonstrate your commitment to help Colorado remain a progressive business model throughout the country. When consumers and businesses win, the entire state of Colorado will prosper.

Sincerely,

Rickie C. Keys, PhD, MPH