



NEWS RELEASE From Mayor Dean DePiero

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PARMA SUPPORTS CRACKDOWN ON “PAYDAY LENDING” FEES

(PARMA) – The city of Parma has again taken a lead role in supporting legal action to place restrictions on “payday lending” fees. The tougher regulations implemented by the Ohio General Assembly are being challenged in State Issue 5 which will be put before voters on Election Day, November 4.

“Parma City Council passed its own ordinance to limit the number of payday lending stores in the city,” said Parma Mayor Dean DePiero. “Now members of council and the administration are standing firm with state lawmakers to make sure these tougher regulations become law across Ohio.”

The Ohio General Assembly passed House Bill 545, placing limits on the duration and interest rates of “payday lending” practices and fees. The bill was signed by Governor Ted Strickland. But the “payday lending” industry gathered petitions in order to put a referendum before voters in November.

Mayor DePiero is cautioning voters not to be confused by the wording of the referendum.

“The important point for voters to remember is that the language of the ballot issue is such that a vote in favor of Issue 5 will allow the provision of House Bill 545 to become law in Ohio.”

Parma City Council President Charles M. Germana agrees voter awareness is critical.

“That’s the key thing we want to stress,” said Germana. “Residents must keep in mind a *yes* vote for State Issue 5 will keep in effect the positive changes that the Ohio Legislature passed in keeping short term interest rates reasonable.”

In April, Parma became the first major city in Ohio to approve a zoning code amendment to limit the number of check cashing stores within city limits. The guidelines approved by members of Parma City Council allow one check cashing store for every ten thousand residents.

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That would be eight in Parma. The amendment also restricts check cashing stores to be separated in proximity by at least one thousand feet.

“Some of these businesses charge high interest rates and fees for a short term loan,” said Mayor DePiero. “We simply want to protect our residents and make sure they are not taken advantage of.”

The limitations approved in April by Parma City Council do not affect check cashing establishments already doing business in the city.

“I’ve said it before and I’ll say it again: this is all about consumer protection for our residents and folks living in the area,” said Mayor DePiero. “Our aim is to make sure residents don’t create an even greater personal financial burden than the one they are trying to solve.”

A certified copy of Parma City Council’s resolution of support for State Issue 5 has been forwarded to Governor Strickland, State Senator Dale Miller, State Representative Timothy DeGeeter and Ohio Senator George Voinovich.

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