



MEMORANDUM

TO: CENTER FOR RESPONSIBLE LENDING
FROM: PUBLIC OPINION STRATEGIES
RE: NORTH CAROLINA STATEWIDE SURVEY: LENDING
DATE: MARCH 30, 2015

Methodology

Public Opinion Strategies conducted a statewide survey of 500 registered voters by telephone March 21-24, 2015. Thirty percent (30%) of interviews were conducted with cell phone respondents. The sample was comprised of 32% Republicans, 40% Democrats, and 24% Independents. The remaining 4% said they did not know or refused. The margin of error for this survey is $\pm 4.38\%$.

Key Findings

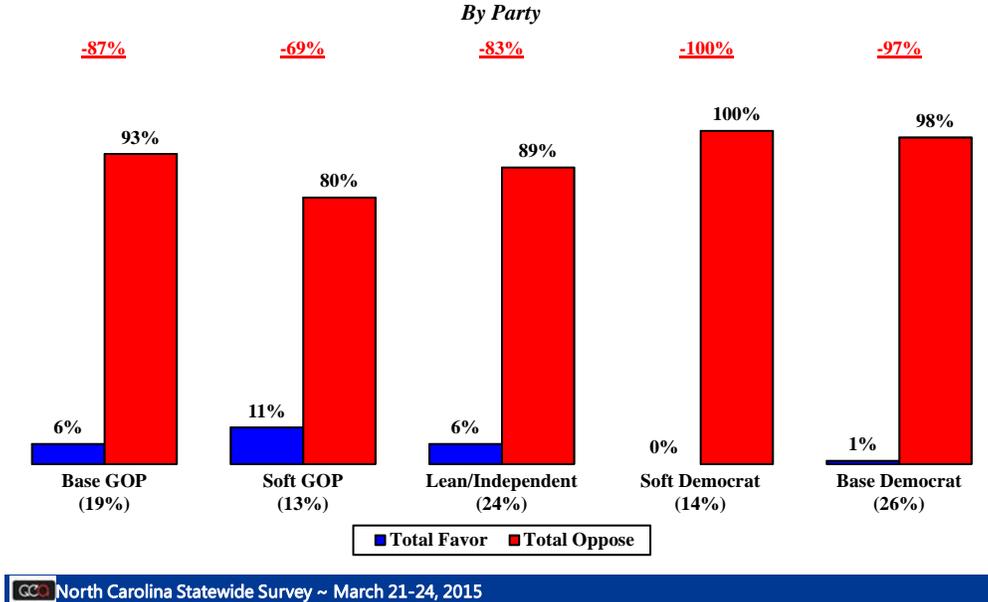
1. ***Voters strongly oppose legislation that would allow finance companies to charge over 60% APR on installment loans.***

Opposition to legislation that would allow finance companies to charge over 60% APR is nearly monolithic. Just 4% favor the proposed legislation, while a whopping 93% oppose it. Eighty-six percent (86%) are strongly opposed. Among key groups:

- The opposition to this proposed legislation also transcends party lines: Republicans (8% favor/88% oppose), Democrats (1% favor/98% oppose), and Independents (6% favor/89% oppose) are united in opposition. Slide 1 on the following page shows the partisan data in detail.
- The story is much the same ideologically, with 91% of conservatives, 92% of moderates, and 98% of liberals opposed to this proposal.
- Likewise, there is little difference between voters of different racial backgrounds, with 91% of white voters and 98% of African American voters opposed to the proposed legislation.

Slide 1:

Republicans and Democrats are united in their opposition to finance companies charging APRs at upwards of 60%.



2. ***Candidates for political office in North Carolina support the proposed legislation at their peril.***

Eighty-four percent (84%) of voters say they would be less likely to support a candidate if he or she supports allowing interest rates and fees to be increased to over 60% APR, including 69% who say they would be much less likely. Just 4% say they would be more likely to support a candidate who supports this legislation.

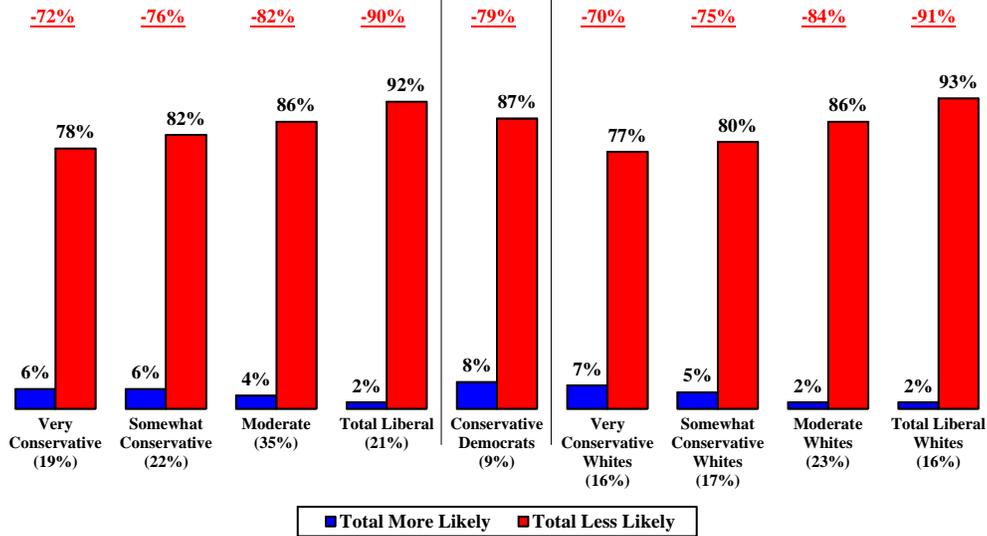
On this measure as well, traditional partisan/ideological fault lines are blurred: 79% of Republicans, 85% of Independents, and 87% of Democrats say they would be less likely to support such a candidate, as do 80% of conservatives, 86% of moderates, and 92% of liberals. There are also no differences by race, with both white voters (84%) and African American voters (87%) less likely to support a candidate who backs this legislation.

Slide 2 on the following page shows the ideological breakout of the data.

Slide 2:

Everyone, regardless of ideology, is likely to punish a legislator who supports such a plan.

By Ideology & White Ideology



3. ***A majority of North Carolina voters believe interest rates and fees of over 60% APR violate the Bible's prohibition of usury.***

Voters were read the following question:

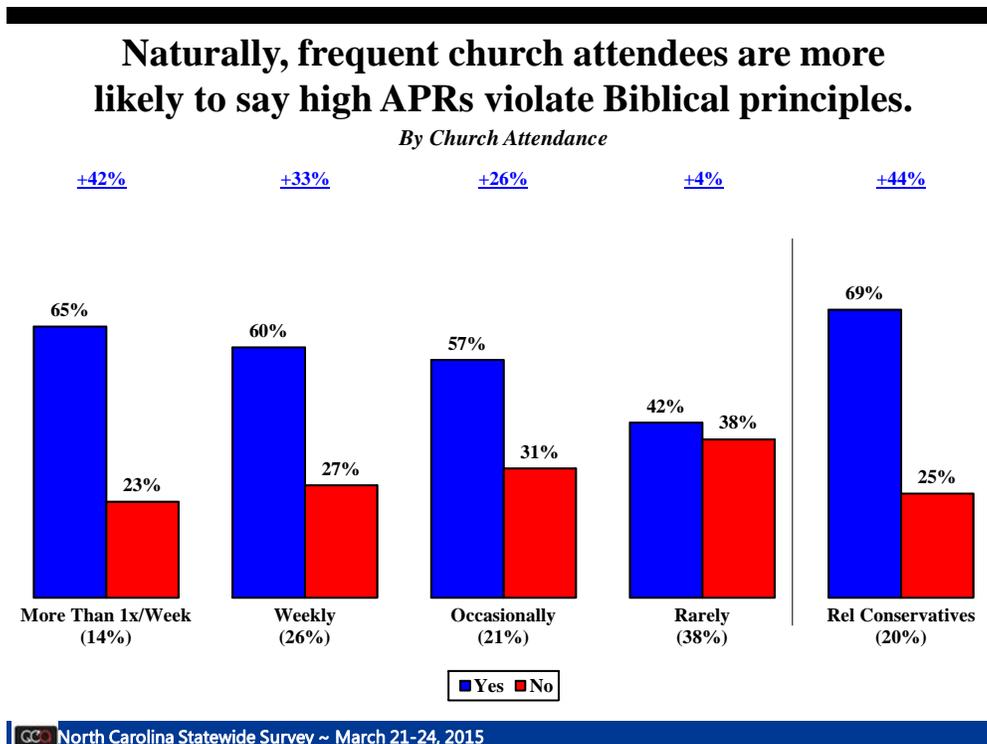
Some faith leaders have referred to the Biblical prohibitions against debt slavery and usury, the practice of lending money at extremely high interest rates. Do you believe interest rates and fees of more than sixty percent APR violate the Bible's prohibition of usury?

Fully 53% said they believe interest rates and fees of more than 60% APR violate the Bible's prohibition of usury; 31% said they do not believe it violates the prohibition. Twelve percent (12%) said they did not know or were not sure. Republicans (55% Yes/37% No) and Democrats (57% Yes/25% No) have similar attitudes on the issue.

Voters who attend church services more than once a week are more likely to view interest rates and fees of over 60% APR as a violation of the prohibition of usury, with 65% saying they believe they are a violation and just 23% saying they are not. Still, even a plurality of voters who rarely attend church services say the rates and fees are a violation (42% Yes/38% No).

Slide 3 below shows the data by church attendance.

Slide 3:



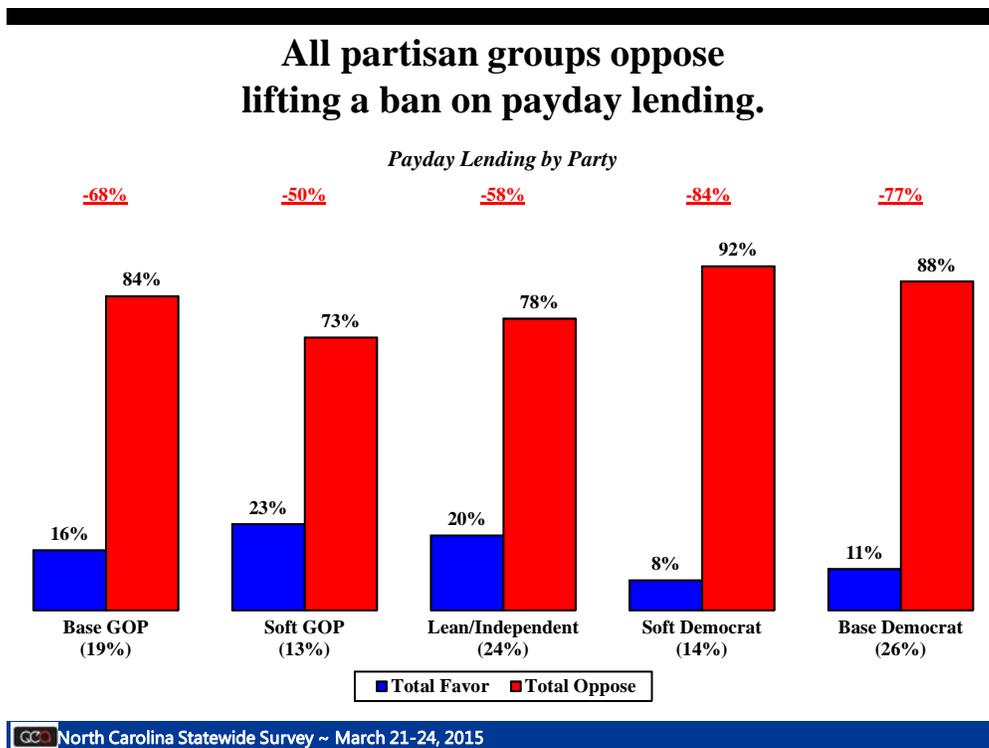
4. ***Like the proposal to increase rates and fees on installment loans, proposals to allow payday and car title lending in North Carolina fall flat with voters.***

Just 15% of voters favor allowing payday lending in North Carolina, while 83% oppose. Intensity is strongly against allowing payday lending, with two-thirds (66%) of voters indicating that they are strongly opposed. Like the installment loan proposal, this, too, bridges the partisan divide, with 80% of Republicans, 78% of Independents, and 89% of Democrats opposed to the proposal.

Likewise, car title lending is extremely unpopular with Tar Heel state voters: just 11% favor allowing car title lending, while 87% oppose. As with payday lending, intensity is strongly against allowing car title lending, with nearly three-in-four voters (72%) strongly opposed to it. And, as with the payday lending proposal, voters of all partisan stripes oppose car title lending, with 84% of Republicans, 77% of Independents, and 96% of Democrats opposed.

Slide 4 below shows the payday lending data by party.

Slide 4:



The Bottom Line

North Carolina voters overwhelmingly oppose proposals to raise interest rates and fees on installment loans to over 60% APR, as well as to allow payday and car title lending in the state. And, they do so in a way that crosses every fault line in American politics. It is notable that in this perennially purple state, there are no significant differences between Republicans, Independents, and Democrats on these three proposals, with opposition through the roof among each group. Moreover, candidates who support the installment loan proposal risk their standing with the electorate.