



 MORNING CONSULT



PAYDAY BORROWER POLLING RESULTS

February 2020

Methodology

National Survey Methodology

Morning Consult conducted a survey on behalf of the Center for Responsible Lending from January 9-15, 2020. The survey was conducted online among a national sample of 9,962 registered voters. The data were weighted to approximate a target sample of registered voters based on age, race/ethnicity, gender, educational attainment, and region (national data only). Results from the full survey have a margin of error of +/- 1%.

Multilevel Regression with Poststratification (MRP) Methodology

Responses to the survey questions are modeled via multilevel regression as a function of both individual level and state-level variables. Our models use age, gender, education and race as individual-level predictor variables. For our state-level variables, we chose variables that may influence state-level vote choice such as the percent change in state gross domestic product (GDP), state unemployment rates, state median household income and state-level outcomes from the 2016 presidential election.

Morning Consult obtained population parameters for registered voters from the November 2016 Current Population Survey. We applied post-stratification weights at the state level based on gender, age, educational attainment and race using the American Community Survey (ACS).

Key Points

1

An overwhelming majority (82%) of those who have taken out payday loans support an annual interest rate cap on payday loans of 36%.

- Sixty-four (64%) of those who have taken out a payday loan *“strongly support”* a rate cap. Those who have taken out a payday loan are the greatest supporters of rate caps on payday loans across demographic groups.
- Of those who oppose a rate cap of 36%, sixty-two (62%) said it was because 36% interest is too high and the rate should be much lower.

2

An overwhelming majority (80%) of those who have taken out payday loans support a rate cap on consumer installment loans of 36%.

- Fifty-two (52%) of those who have taken out a payday loan *“strongly support”* a rate cap of 36%. Those who have taken out a payday loan are the greatest supporters of rate caps on consumer installment loans across demographic groups.

36% Rate Cap Favorability

AN OVERWHELMING MAJORITY (82%) OF THOSE WHO HAVE TAKEN OUT PAYDAY LOANS SUPPORT A RATE CAP ON PAYDAY LOANS OF 36%.

Sixty-four percent (64%) of those who have taken out a payday loan “*strongly support*” a rate cap. Those who have taken out a payday loan are the greatest supporters of rate caps across demographic groups.

● *Strongly support* ● *Somewhat support* ● *Don't know/No opinion* ● *Somewhat oppose* ● *Strongly oppose*

Taken a payday loan

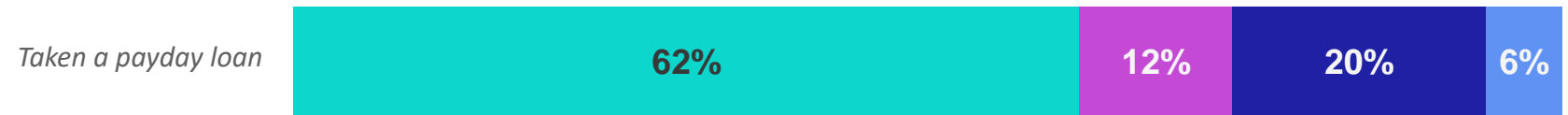


Q: As you may know, the average annual interest rate on payday loans is 391%. Would you support or oppose a proposal to put a cap on the interest rates that payday lenders may charge at 36% annual interest?

36% Rate Cap Favorability

OF THOSE WHO TOOK OUT A PAYDAY LOAN AND OPPOSE A RATE CAP OF 36%, SIXTY-TWO PERCENT (62%) SAID IT WAS BECAUSE 36% INTEREST IS TOO HIGH AND THE RATE SHOULD BE MUCH LOWER (N=1174)

- 36% interest is too high; the maximum rate that payday lenders can charge should be much lower.
- Payday lenders should be able to charge any rate.
- Capping interest rates for payday lenders could put some of them out of business, and you are concerned that could result in less access to credit and fewer options for consumers.
- Other



Q: You reported that you oppose a proposal to cap the interest rates that payday lenders may charge at 36% annual interest. Which of the following comes closest to why you oppose capping interest rates at 36%?

36% Rate Cap Favorability

AN OVERWHELMING MAJORITY (80%) OF THOSE WHO HAVE TAKEN OUT PAYDAY LOANS SUPPORT A RATE CAP ON CONSUMER INSTALLMENT LOANS OF 36%.

Sixty-four percent (64%) of those who have taken out a payday loan “*strongly support*” a rate cap. Those who have taken out a payday loan are the greatest supporters of rate caps across demographic groups.

● *Strongly support* ● *Somewhat support* ● *Don't know/No opinion* ● *Somewhat oppose* ● *Strongly oppose*

Taken a payday loan



Q:As you may know, the annual interest rate with fees for consumer installment loans can range from below 10% to well over 100%. Would you support or oppose a proposal to put a cap on the interest rates of these loans at no more than 36% annual interest?

