EXHIBIT 4 BUS
DATE 2-9-09
HB 396

Legislature

RE: Payday Loan Interest Rates (aka loan sharks)

I am writing this letter on behalf of my experience with payday loans and predatory lenders. I want you to know what this industry is doing to your Montana residents. This industry needs to put a cap on its interest rates. So if these companies can't survive on the lower interest-they can close up. These loans are ranging up to 781%. Many years ago personal lenders were thrown in jail for charging 101% on personal loans. Why are they getting away with this? They prey on the people that are already going through tough times and have no other place to go. I know, I have dealt with quite a few of them. I would like to share with you my experience.

I am married and I have 3 children. I have a pretty good job and my husband has a good job now. But a few years ago we got hit by a lot of medical expenses. We were robbing Peter to pay Paul. We got behind on a few of the bills. So it was hard to get credit. Someone mentioned this payday loan place. So I looked into it. They were so nice and seemed to be quite helpful. They said you can just pay the fee every two weeks instead of the whole amount. So on $300.00, the interest was 75.00 for 14 days. This was a quick and easy fix for a couple of bills. They encouraged me to hold the loan for six months and just pay the fee. So in six months I paid $1200.00, all I borrowed was $300.00. Yes, my brain must have been on vacation for doing something this stupid. But I had more than one loan at the same time. I then borrowed more to pay all the fees that came up every two weeks. It became a cycle with no feasible way out. I look back and it just sickens me as to the amount of money I paid out to them. The employees don't even suggest trying to pay off the loans sooner. They don't have payment plans, and when you ask, they encourage you to extend or roll over your loan, resulting in more interest and more fees. These predators are on the Internet and they sell your info. They make it so easy. But if something comes up and you call them that you are having difficulty in paying the fee this week, they are unwilling to work with you and turn you right over to a nasty, threatening collection company. When we sought the help of a credit counseling agencies, these lenders were unwilling to work with us on a proposed plan to pay back what we had borrowed. They just say so sad too bad for your situation. You need to get this paid or we will pursue legal action. I felt as if I had made a deal with the mafia. I guess they would prefer getting no payments when the person files bankruptcy.

They have caused so much stress in my life. We fell into bankruptcy when the hole became too deep. That was the most humiliating moment of our lives. This industry is so big and more and more people are going to be driven to them in this economy.

These big companies don't care about us. They are just fattening up their pig and throwing us the slop. We as Montanan's have to help each other through this time. You as the Legislators can help control this. I know other states have changed the interest rate or they don't allow them in their state. I ask you to consider my story as a representation of what thousands of Montanans have experienced with these lenders. Reasonable regulation and caps need to be in place as a protection to Montana consumer.

Sarah