

# The Connecticut General Assembly



FOR IMMEDIATE RELEASE  
April 13, 2015

Contact: Emily Boushee 860-240-8742

## **Rep. Lesser Denounces Predatory Payday Lending Alongside Tribal Leaders**

**State Representative Matthew Lesser (D – Middletown)** held a press conference alongside **Governor Dannel Malloy**, tribal leaders representing the Mohegan and Mashantucket Pequot tribes, and legislators from the state's urban centers to denounce an exploitative payday lending campaign carried out by lenders owned by the Otoe-Missouria tribe of Oklahoma.

"The lending scheme being carried out in Connecticut by the Otoe-Missouria tribe is exploitative, unethical, and downright criminal. This out-of-state tribal company is coming into Connecticut and deliberately profiting off of our most vulnerable citizens. I am proud to stand alongside Governor Malloy and Connecticut's tribal leaders today in support of the Department of Banking for its tireless defense of Connecticut's needy residents," said Rep. Lesser, Co-Chair of the state legislature's Banking Committee.

These tribal lending companies have been targeting Connecticut's needy residents through email and direct mail schemes promising easy access to cash with interest rates as high as 200-450 percent. The Otoe-Missouria Tribe of Native Americans, who passed legislation to create these companies, claims that "tribal sovereignty" allows it to circumvent Connecticut law which prohibits anyone from making loans of \$15,000 or less, at more than 12 percent without a license.

Rep. Lesser is hopeful that House bill 6800, *AN ACT CONCERNING MORTGAGE CORRESPONDENT LENDERS, THE SMALL LOAN ACT, VIRTUAL CURRENCIES AND SECURITY FREEZES ON CONSUMER CREDIT REPORTS*, will be signed into law this session. HB 6800 would strengthen the Department of Banking's authority by declaring these types of short terms loans void and forbid short-term lenders from collecting any money from borrowers.

"The bottom line is this: we have an obligation to protect against predatory lending. The notion that we should sit back and let residents be charged interest at rates topping 400 percent is unacceptable, and we should take every action possible to protect Connecticut," **Governor Malloy** said.

The Otoe-Missouria tribe has partnered with Tea Party-aligned SuperPac, *Institute for Liberty* in an attempt to force the state to allow their exploitative payday loans. *Institute for Liberty* sent thousands of

Connecticut residents vague and misleading direct mail on behalf of the tribe, accusing Governor Malloy of “threaten[ing] our sovereignty.”

“Despite attempting to hide behind a veil of anonymity, this super PAC and usurious predatory lenders should not be allowed to come into our state and victimize hard working Connecticut families, many who are already facing economic hardship,” **said Speaker of the House Brendan Sharkey (D-Hamden)**

“We find it unfortunate that the proprietors of this payday loan business have suggested the issue as has any bearing on Native Americans and their welfare. Denying this business pursuit has nothing to do with denying Native American business, sovereignty or welfare, and everything to do with protecting the consumers of the state of Connecticut. While we always stand united with our Native American brothers and sisters in issues of sovereignty, we want it to be clear that we stand wholly apart from this business venture” **said Kevin Brown, Chairman of the Mohegan Tribe.**

“Our commitment to tribal sovereignty is absolute, as is our commitment to the rule of law and our deep and abiding concern about the working men and women of our state. Tribal governments have the right and obligation to our people to pursue economic development initiatives, including short-term lending business like other non-tribal entities. But, tribes and the entire industry should also ensure they are being responsible and that their customers can repay the loans without getting charged unreasonable fees and paying extremely high interest rates,” **said Rodney Butler, Chairman of the Mashantucket Pequot Tribal Nation**

“In addition, those tribes working within the state should be honoring the state imposed limits where they are doing business. As a guiding principle, we want to make sure the states and banking regulators are treating tribal entities fairly and allowing them to compete with others,” **Chairman Butler added.**

“Connecticut will always stand with its borrowers. It is outrageous to suggest that just because a company is owned by a tribe that Connecticut must stand idly by while that company commits usury against our citizens,” **said Bruce Adams, General Counsel for the Connecticut Department of Banking.**