

**Community Reinvestment Association of North Carolina  
Neighborhood Economic Development Advocacy Project**

**PRESS RELEASE**

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Contact: Peter Skillern, CRA-NC (919)308-3897  
Sarah Ludwig, NEDAP (212) 680-5100

**NEW YORK GROUPS JOIN NORTH CAROLINA ACTIVISTS  
TO PROTEST PAYDAY LENDING**

Community activists from New York and North Carolina held a joint press conference today in front of the FDIC's New York office to call on FDIC Chairman Donald Powell to shut down payday lending operations of FDIC-regulated banks.

"The FDIC has become payday lenders' regulator of choice. We are asking the FDIC to stop banks from engaging in this type of abusive lending," stated Sarah Ludwig, executive director of the Neighborhood Economic Development Advocacy Project, based in New York.

In the past year, payday lenders have blanketed New York City subways and radio stations with ads for "Fast Cash" and "Instant Credit." These solicitations in fact are for short term, high cost loans— at annual interest rates upwards of 700%. Loans are made to people with a checking account, who can show they receive income either from a job or government benefits. Many borrowers renew the loan several times, ultimately paying more in fees than in principal.

"Payday lenders claim that their loans are for emergencies or one-time cash flow problems. But many borrowers get trapped by the high fees and short terms and have to take out several loans back-to-back," said Peter Skillern, executive director of the Community Reinvestment Association of North Carolina (CRA-NC).

"There is a critical need for short-term credit in our community, but payday loans are hugely destructive," said Mark Winston Griffith, executive director of the Central Brooklyn Partnership. "They foster chronic borrowing and trap customers in a cycle of debt."

Activists from CRA-NC wore chains of oversized checks to represent the cycle of debt that payday lending creates for people already burdened with financial problems. After the New York City event, the North Carolina activists traveled to Delaware to protest payday lending by County Bank of Rehoboth Beach, DE. "County Bank is a model of what is wrong with banks providing payday loans. It needs to be shut down," stated Mr. Skillern.

The North Carolina activists have included the protests as part of a larger Financial Freedom Tour to promote fair lending and reinvestment in rural North Carolina.

*NEDAP is a resource and advocacy center that promotes financial justice in low income neighborhoods and communities of color in New York City. NEDAP convenes the NY Payday Lending Task Force.*

*The Community Reinvestment Association of North Carolina (CRA\*NC) is a statewide nonprofit bank watchdog agency dedicated to building and protecting wealth in North Carolina communities. CRA\*NC accomplishes this goal through advocacy, education, and research.*

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