

- My name is Gerri Guzman. I am a resident of Los Angeles County, CA and currently serve on the Montebello Unified School District Board of Education. Our District serves 33,000 Kindergarten thru 12 grade students and their families, 78% of whom qualify for free or reduced lunch. I am also active in the following organizations: Soroptimist International, the Boys and Girls Club, and my local Chapter of the American Red Cross.
- I have also been a payday lending customer and am here today to talk about my experience. I am thankful for the opportunity to be here, as I think sometimes with issues like payday lending that the opinions of the people who actually use the product are never listened to.

I also would like to add that when my City considered a moratorium on granting business licenses to Pay Day Lenders, I meet with several community members to listen not only to their experiences but to gain an understanding of why a pay day loan appeared to be the best choice.

- Personally, I consider payday loans to be a necessary evil. If I had the choice, I would never have been in a situation where I needed a payday loan. I'm sure this rings true for the tens of millions of other payday lending customers around the country. In a perfect world, we would all have money set aside in savings to deal with expenses as they come up. Unexpected, but unavoidable expenses, such as a broken down car, a medical bill or a child's college application form.
- But having much money in savings is not the reality for many families, especially with the economy the way it is today.
- I first became a payday lending customer when I decided to leave my job to become my Mother's primary caretaker for the 14 months prior to her passing. I do not regret for a moment my decision but I would be lying if I said it didn't create a temporary financial hardship.
- At the time, my options were to take out a payday loan or not to replace a water heater.
- I was aware of the cost of the payday loan and decided that it was the best option for me at the time. No, they are not cheap, but they can be the least expensive, or only choice.
- Thankfully, my financial circumstances have changed. And although I am no longer a payday lending customer, I would like to know that I have the option to do so again, if I choose.
- I do wish that there were more choices and better choices for consumers. But there are not. The more choices people in tough financial situations have, the smarter decisions they can make and the better off they are.
- I was not tricked into using a payday loan. I, like most people in this day and age, are budget conscious and look for the best options available in any situation. I knew what a payday loan would cost, but the process was simple and quick.
- There are payday lending customers who get themselves into trouble. And some people make poor choices and get caught in a debt spiral. But this is not unique to payday

lending customers. I don't think the government should focus on helping those few at the expense of the rest of us.

- But, I do think that it is important that the government protect people from predatory lenders and abusive practices.
- I would like to see a mechanism in place to minimize the likelihood of payday lending customers don't get trapped in a cycle of debt. I'm sure most people intend to pay the loan back when it's due, but sometimes the money does not become available. In these situations, it's important that the lender work with the borrower to make sure they aren't worse off than they were before. An adjusted payment plan would be helpful.
- It would also be helpful to make it easy for customers to compare credit products. Companies need to be upfront and clear about how much the borrower will pay for the loan and when it will be due back. However, I have found that even with the information to make an informed decision, emergency situations create a sense of urgency. All too often the quickest, easiest solution wins out over reason.
- Thank you for your time today. I appreciate the opportunity to represent the tens of millions of payday lending customers across the country. We each have our own personal reasons for going to a payday lender, but I think almost all of us would agree that payday lending is not a perfect option and it's not right for everyone. And we were glad the option was available.