



Testimony
Senate Financial Institutions, Housing, and Consumer Protection Committee
SB 6736 – Modifying the Laws Governing Small Loans
February 1, 2006

Good Afternoon Chairwoman Fairley and members of the Committee. My name is Matt Muckler and I am the Legislative Director for the Washington State Catholic Conference, which represents the Catholic bishops of the state of Washington on issues of public policy. We are pleased to be working with other faith-based groups in supporting consumer protections that promote the common good by encouraging responsible lending practices in our state.

We are in favor of SB 6736. Giving borrowers a minimum term of two weeks per fifty dollars borrowed improves their ability to repay their loans. As Washington is one of only a few states that allows loans above \$500, the new loan limit of \$500 brings Washington in line with most other states. We are also in favor of measures contained in the bill that require lenders to determine the borrower's ability to repay the loan. Finally, we support the bill reducing the cost of credit.

In 1986, the U.S. Bishop's released *Economic Justice for All*, to offer their thoughts not as economic technicians, but rather as moral teachers. They wrote, "Economic decisions have human consequences and moral content; they help or hurt people, strengthen or weaken family life, advance or diminish the quality of justice in our land." They recognized that "many working people and middle-class Americans live dangerously close to poverty," and encouraged that "every economic decision and institution ... be judged in light of whether it protects or undermines the dignity of the human person." We thank you for your consideration.