

City of Philadelphia



Council of the City of Philadelphia
Office of the Chief Clerk
Room 402, City Hall
Philadelphia

(Resolution No. 030171)

RESOLUTION

Calling upon the Knight Ridder Corporation to refuse to accept any advertisements promoting predatory payday loans in any of its Philadelphia newspapers and to instead launch an investigative series of articles on the abusive and predatory phenomena of payday lending in the City of Philadelphia.

WHEREAS, Through passage of a historic anti-predatory lending ordinance under the leadership of Councilwoman Marian Tasco last year, this Council has taken a leading role on the national level in combating the scourge of predatory mortgage lending; and

WHEREAS, Residents of Philadelphia have recently been bombarded by a saturation advertising campaign promoting quick cash via "payday loans"; and

WHEREAS, Payday loans are usurious, predatory small loans that prey on cash-strapped low-and moderate-income consumers. These loans are cash advances for up to \$500, based on the borrower's personal check held for future deposit. The average cost of a payday loan is 470% APR, for a loan due in full within 14 days; and

WHEREAS, Contrary to industry claims that payday loans are an occasional transaction of borrower loan records by state regulators find that 50 to 80% of payday loan customers enter into seven or more loan transactions at one lender over the course of a year and 20 to 30% of the customers enter into 14 or more. Since many payday loan customers borrow from more than one lender at a time, millions of Americans are trapped paying triple-digit interest rates for long-term obligations disguised as quick cash until payday; and

WHEREAS, Here in Philadelphia, the *Philadelphia Daily News*, a daily newspaper owned and operated by the Knight Ridder Corporation, has been the major publication aiding and abetting the predatory payday loan industry by prominently featured in the newspaper during the months leading up to this Council's passage of the anti-predatory lending ordinance; now therefore

City of Philadelphia

RESOLUTION NO. 030171 continued

RESOLVED, BY THE COUNCIL OF THE CITY OF PHILADELPHIA, That Council calls upon the Knight Ridder Corporation to immediately refuse to accept advertisements promoting predatory payday loans in any of its Philadelphia newspapers and to instead launch an investigative series of articles on the abusive and predatory phenomena of payday lending in the City of Philadelphia; and

FURTHER RESOLVED, That a true and correct copy of this resolution be presented to P. Anthony Ridder, chairman of the Knight Ridder Corporation, as the true and sincere sentiments of this legislative body.

City of Philadelphia

RESOLUTION NO. 030171 continued

CERTIFICATION: This is a true and correct copy of the original Resolution,
Adopted by the Council of the City of Philadelphia on the

Anna C. Verna
PRESIDENT OF THE COUNCIL

Michael A. Decker
CHIEF CLERK OF THE COUNCIL

Introduced by: Councilmembers Cohen, Goode and Tasco

Sponsored by: Councilmembers Mariano, Ortiz, DiCicco, Kenney and Nutter

City of Philadelphia

RESOLUTION NO. 030171 continued