

LEGISLATIVE HOT LINE



1-800-869-6525 Ext 6690

Sponsored by the Five Catholic Commissions and Catholic Campaign for Human Development of the Secretariat for Catholic Charities Health and Human Services

June 3, 2009

“As Catholics we must come together with a common conviction that we can no longer tolerate the moral scandal of poverty in our land and so much hunger and deprivation in our world. “

A Place at the Table USCCB 2002

STATE BUDGET HB 1

TAKE A STAND - URGE LEGISLATORS TO PROTECT THE NEEDS OF THE MOST VULNERABLE

NEXT STEPS IN BUDGET PROCESS: The Senate passed their version of the Budget bill on Wednesday, 6/3/09. They cut \$1 B from the House version and provided more funding for hospitals. Health care coverage for 110,000 low income individuals was also cut. The Bill now goes to Conference Committee where an additional \$2B may be cut because of the recent projected losses in state revenue. There will be a lengthy process of debate throughout the month of June as legislators grapple with these revenue losses. It is expected that the gains made in preserving needed funding for social services and basic needs will be susceptible to new cuts.

It is more important than ever that you contact your legislators and urge them to contact their colleagues in support of preserving funding for those programs that provide the most basic of needs – food, housing and health care. The current budget crisis is an opportunity to urge the Governor and members of the Ohio General Assembly to protect Ohioans who are adversely impacted by the economic recession. Of particular concern to us are low income and vulnerable populations who have little or no voice in the discussions regarding the FY 2010-2011 budget. As health and human service providers, advocates, community leaders, public officials and citizens, we urge the following:

ACTION: Call or email Governor Strickland and your State Legislators NOW! Urge him/her to prioritize the needs of the poor and most vulnerable in Sub HB 1 – the State Budget. Cutting safety net programs is not the answer to balancing the budget; rather they result in more families falling between the cracks, creating even more need and more strain on the budget.

- 1) \$34 Million be allocated over the biennium for the Ohio Association of Second Harvest foodbanks, pantries and hunger centers.
- 2) Support for the expansion, proposed by the Governor, in the State Children’s Health Insurance Program. (SCHIP)
- 3) Support for Elder Care. The House passed budget expands PASSPORT and Assisted Living Programs for Seniors
- 4) Maintenance of Medicaid services for disabled Ohioans, such as dental and podiatry care, prescription drugs, hospice care and community based drug and alcohol treatment
- 5) Adequate funding for family support services, especially the \$193 Million loss to County Jobs and Family Services Departments. These funds provide support for child protective services, adoption, kinship care programs and help for the working poor.
- 6) Support for fair, affordable and accessible health care. In addition, we advocate parental health coverage for the poor, working families up to 100% of poverty

We must continue the pressure! Final budget will need to be approved by July 1, 2009. ACT NOW!

For information on contacting your Senator or Representative link to: <http://www.legislature.state.oh.us>

To contact Governor: <http://governor.ohio.gov/Assistance/ContacttheGovernor/tabid/150/Default.aspx>

NEW LEGISLATION PROPOSED TO STOP “LOOPHOLE LENDING”

BACKGROUND: Last year Issue 5, which called for the enforcement of HB 545, the Short Term Lender Act (payday lending reform), was overwhelmingly supported by Ohioans. Voters affirmed a 28% cap on payday loans and other consumer protection measures. HB 545 aimed to protect consumers from a cycle of debt and predatory lending

practices. Yet since the bill became law, payday lenders have found new ways to charge higher interest rates and fees by skirting the Short Term Lender Act and giving payday loans through other loan licenses.

These lenders sought licensure under Ohio's Mortgage Loan Act and Small Loan Act. Both statutes were designed to regulate long term lending products, like second mortgages. Neither was intended to regulate a short term product like payday loan. Under these statutes, payday lenders started issuing loans in the form of a check, then charging the customer to cash the check. They started charging origination fees – in addition to interest and other fees – as often as every week. The Housing Research and Advocacy Center has confirmed in their March 2009 report "The New Face of Payday Lending" interest rates as high as 680% APR.

The Issue 5 Enforcement Act would reinforce the mandate set forth by Ohioans. It will require an interest rate cap of 28% for all loans of up to \$1,000 made for a term of 3 months or less, regardless of what license is used to grant the loan. This legislation would also eliminate "check cashing fees" that some payday lenders now charge borrowers to cash a check issued in the store of the payday lender. This legislation is critical for enforcing the mandate set forth by Ohioans in HB 545 and Issue 5, and it would further protect our families from a cycle of debt.

ACTION: We cannot let the gains we have obtained for Ohio consumers be further eroded. Contact your State Representative and urge him/her to support legislation that will enforce the mandate set forth by Ohioans under Issue 5. Urge their support of the "Issue 5 Payday Lending Enforcement Act"

The Ohio Coalition for Responsible Lending, working for passage of this act, has developed a "sign on letter" for organizations to endorse. Please consider circulating the "sign on letter" within your own organization or any other organizations that are in your network. **YOUR IMMEDIATE ATTENTION IS NEEDED. Copy of the letter is attached.** Return signed letters to tjallio@clevelandcatholiccharities.org

Be on the look out for other upcoming advocacy efforts to see that passage of legislation to finally curb these predatory practices is passed.

HEALTH CARE DEBATE HEATS UP IN CONGRESS

BACKGROUND: The debate on health care reform is heating up in Congress. The Senate will be considering legislation soon and could vote as early as the end of June on a health care reform bill. The House is writing legislation now and may vote on a bill as early as July. **Advocates need to start writing and calling Congress to communicate what is important to include in—and keep out of – health care reform.**

The Senate Finance Committee has taken a leadership role in the health care debate, holding three hearings and releasing three significant policy proposal papers on the delivery, coverage, and financing pieces of health care reform. The major goals include:

- Expanding affordable coverage to all Americans
- Fostering a competitive insurance market based on efficiency and quality that does not discriminate against pre existing conditions
- Streamlining the process of obtaining health insurance
- Subsidizing the cost of health care coverage for low to middle income individuals
- Expanding public programs to cover the lowest income individuals.

Catholic Social Teaching: "Reform of the nation's health care system needs to be rooted in values that respect human dignity, protect human life, and meet the needs of the poor and uninsured, especially born and unborn children, pregnant women, immigrants, and other vulnerable populations."

U.S. Catholic Bishops, Forming Consciences for Faithful Citizenship

ACTION: CALL OR EMAIL your members of Congress. Call the U.S. Capitol switchboard at: (202) 224-3121; Full contact info can be found on Members of Congress's web sites at: www.senate.gov and www.house.gov

Tell them health care reform should:

- ~~Include health care coverage for all people from conception until natural death
- ~~Continue the federal ban on funding for abortions
- ~~Include access for all with a special concern for the poor
- ~~Pursue the common good and preserve pluralism, including freedom of conscience
- ~~Restrain costs, and apply costs equitably, among payers

Resources on Health Care Reform can be found <http://www.usccb.org/sdwp/national/health1.shtml>
Or www.catholic-action.org

"PREGNANT WOMEN SUPPORT ACT" INTRODUCED IN SENATE

On May 13, U.S. Senator Robert Casey (D-PA) introduced the "Pregnant Women Support Act" (S. 1032), legislation that would provide resources to pregnant women to reduce abortions, promote the health of the mother and baby, and support new parents. A similar measure (H.R. 2035) was introduced in the House of Representatives on April 22.

Some of the important provisions in the "Pregnant Women Support Act" include:

- Providing child care to low-income and student parents;
- Providing parenting education in maternity group homes and pregnancy centers;
- Improving adoption assistance;
- Ensuring that pregnant women are not denied health care by insurance companies and that coverage is continued for newborns;
- Codifying the regulation that extends coverage under the State Children's Health Insurance Program (SCHIP) to low-income pregnant women and unborn children;
- Increasing funding for the Women, Infants and Children (WIC) Nutrition Program; and
- Providing new mothers with free home visits by registered nurses.

Catholic Social Teaching: *"There are some statements that almost everyone can endorse. First, the fact that over a million abortions take place every year in this country is a tragedy, and we should at least take steps to reduce abortions,"* said Cardinal Rigali, chair of the Committee on Pro-Life Activities for the U.S. Conference of Catholic Bishops. *"Second, no woman should ever have to undergo an abortion because she feels she has no other choice or because alternatives were unavailable or not made known to her. An abortion performed under such social and economic duress meets no one's standard for 'freedom of choice,'"* the Cardinal continued. *"In the meantime, pregnant women need our assistance now so that abortion is not promoted to them as their only choice..."*

ACTION: This legislation was sent to the Senate Health, Education, Labor and Pensions Committee. Call or e-mail Senator Brown, who is a member of the Committee, and urge his support for this important piece of legislation, the Pregnant Women Support Act (S 1032)

EVENTS AND RESOURCES

Contact your Congressional representatives by FAX letter, e-mail, or phone.
Call the U.S. Capitol switchboard at: (202) 224-3121; or call Members' local offices.
Full contact info can be found on Members of Congress's web sites at: www.senate.gov and www.house.gov

For contact information on your Ohio Legislators, go to:

<http://www.ohiocathconf.org/L/legisbydiocese.htm>

<http://www.legislature.state.oh.us>

.....or call: (800) 282-0253

Call the White House comment line at 202-456-1111 or send an e-mail to

<http://www.whitehouse.gov/CONTACT/>

Contact Governor Strickland by calling (614) 466-3555 or send e-mail to

<http://governor.ohio.gov/Assistance/ContacttheGovernor/tabid/150/Default.aspx>

For more information on the above, please call the Diocesan Social Action Office at 216-939-3851 or 888-620-5280. You can also visit our web page at www.catholic-action.org for more information. Thank you.

OHIO COALITION FOR RESPONSIBLE LENDING

Campaign to Close Payday Lending Loopholes

Our organization endorses the Campaign of the Ohio Coalition for Responsible Lending to work for passage of the “Issue 5 Payday Lending Enforcement Act,” sponsored by Representative Matt Lundy (D-Elyria).

Among other things, **the legislation would close several loopholes in the Small Loan Act and the Mortgage Loan Act that payday lenders have exploited** to continue their predatory business model. The *Issue 5 Payday Lending Enforcement Act* would: require an interest rate cap of 28% for all loans up to \$1,000 made for a term of 3 months or less. In addition, the legislation would eliminate check cashing fees and provide Consumer Sales Practice Act protection to those loans under \$1,000.

This legislation will put a stop to the debt trap quickly and decisively. In this economy, we simply can't afford a destructive loan product that funnels money from the needy into the vast coffers of a greedy industry. The people of Ohio spoke clearly through the November 4, 2008 ballot initiative that they desire to impose an interest rate cap and other consumer safeguards on the payday lending industry.

We urge the members of the Ohio General Assembly to close these loopholes and to act expeditiously to protect Ohio consumers.

Name _____ Organization _____

Address _____

E-Mail _____ Phone _____

Return to Tom Allio, chair Ohio Coalition for Responsible Lending
tjallio@clevelandcatholiccharities.org

or Cathy Johnston, COHHIO
cathyjohnston@cohhio.org

Please distribute this sign on letter throughout your networks.