



Special-Interest Rates:

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# Politicians Cower In Payday-Loan Pockets

Cash Store's Trevor Ahlberg Generously Supplies 25¢ of Each Political Dollar.

**P**redatory lenders who use paychecks or car titles to secure high-cost loans to the working poor again stuffed Texas politicians in their back pockets after spending almost \$2.5 million on the last election.

Lawmakers introduced at least eight predatory-lending bills this session. Several of them coddle a rapacious industry. Meanwhile legislators relegated six of the eight bills to a House committee that acts as a death chamber for payday-loan reform. Only one of the bills—in the Senate—survived committee deliberations.

Predatory lenders are getting cocky. The industry shredded every proposed 2013 reform after giving Texas politicians almost \$2.3 million. Following a modest cost-of-living increase for their representatives in the 2014 cycle, the confident industry now is spending up to \$3.8 million on 77 lobbyists. That's down from \$4.4 million in 2013.

To appreciate legislative tiptoeing around this industry consider Fort Worth's [swastika shaped](#)

House District 90. Residents there have a per-capita annual income of \$12,266; just half of them obtain high school diplomas. Last year the district elected new [Rep. Ramon Romero](#). Rep. Romero introduced [HB 3223](#). All it would do is stop the working poor from using stolen vehicles to obtain title loans. *Nada más.*

Two information-only reforms entered the ruminating stomachs of the House Investments and Financial Services Committee, never to be seen again. Rep. Diego Bernal's [HB 4057](#) would have required lenders to state predatory loan terms in English and Spanish. Rep. Eddie Rodriguez's [4073](#) would have collected data on loan rollovers or on borrowers who seek multiple loans. It did not pretend to restrict these debt traps.

## Predatory-Lender Money Keeps Pouring into Texas

Election Cycle	Total Contributions	Out-of-State Percentage
2010	\$1,449,739	11%
2012	\$2,285,435	27%
2014	\$2,478,893	33%
<b>TOTAL</b>	<b>\$6,214,067</b>	

## Top Recipients of Payday-Loan Cash (2013 through 2014)

Amount	Recipient	Top Contributor(s)
\$281,484	Greg Abbott	Trevor Ahlberg
\$215,100	Dan Patrick	Trevor Ahlberg
\$124,350	Ken Paxton	Trevor Ahlberg
\$94,500	John Carona	Ahlberg/TX Consumer Finance Assn
\$88,050	Joe Straus	TX Consumer Lenders PAC
\$85,000	David Dewhurst	Trevor Ahlberg
\$70,000	Repub. State Leadership Committee	Dennis Bassford
\$63,750	*Dan Flynn	Rod Aycox
\$42,500	Glenn Hegar	C. Dan Adams
\$40,000	Conservative Republicans of TX	Select Management Resources
\$33,000	Todd Hunter	Rod Aycox
\$33,000	Kelly Hancock	Trevor Ahlberg
\$31,500	Brandon Creighton	C. Dan Adams
\$31,250	Donna Campbell	Larry/Beverly Nuckols
\$29,750	Troy Fraser	Trevor Ahlberg
\$28,500	Konni Burton	Trevor Ahlberg
\$27,500	Larry Taylor	Rod Aycox
\$27,448	Linda Harper-Brown	TX Consumer Lenders PAC
\$26,750	Cindy Burkett	Trevor Ahlberg
\$25,000	Craig Estes	Trevor Ahlberg
\$24,500	TX Legislative Black Caucus	Advance America/Cmty. Loans of Am.
\$24,000	Carol Alvarado	TX Consumer Lenders PAC
\$24,000	Don Huffines	Trevor Ahlberg
\$22,500	TX Conservative Coalition	Consumer Service Alliance
\$21,350	Robert Lee Nichols	Trevor Ahlberg
\$21,000	Kevin Eltife	Trevor Ahlberg
\$20,500	Kel Seliger	Trevor Ahlberg
\$19,500	Van Taylor	Ahlberg/TX Consumer Lenders PAC
\$18,500	Morgan Meyer	TX Consumer Finance Assn.
\$18,000	Drew Darby	TX Consumer Finance Assn.
\$17,750	Charles Schwertner	Trevor Ahlberg
\$17,500	Trey Martinez Fischer	Trevor Ahlberg
\$17,250	Kirk Watson	EZCorp PAC
\$17,000	*Oscar Longoria	Trevor Ahlberg
\$17,000	Jodie Laubenberg	Ahlberg/TX Consumer Lenders PAC
\$17,000	Charles 'Doc' Anderson	Trevor Ahlberg
\$16,750	Travis Clardy	Trevor Ahlberg
\$16,750	Larry Phillips	Ahlberg/Rod Aycox
\$16,500	Bob Deuell	Trevor Ahlberg
\$15,250	Kenneth Sheets	Trevor Ahlberg
\$14,500	TX Assn. of Business ( <a href="#">opposed SB 121</a> )	Trevor Ahlberg
\$14,200	Michael Villarreal	TX Consumer Finance Assn.
\$13,500	*Tan Parker	Ace Cash Express/Ahlberg
\$13,000	Lois Kolkhorst	TX Consumer Finance Assn.

These recipients pocketed 74 percent of predatory money identified in 2014 cycle.

\*On [House Investments Committee](#) (the Predatory-Loan-Bill Death Chamber).

Four stronger bills would impose some limits on the industry (many of them also mandate information disclosures). [HB 371](#) by Reps. Cesar Blanco and Ruth Jones McClendon would curtail rollover fees and interest payments by limiting payday loans to 90 days and title-loans to 180 days. Yet this bill only applies to military families, thereby preserving a predatory open season on civilians.

Rep. James White's [HB 2808](#), Rep. Tom Craddick's [HB 3047](#) and Sen. Rodney Ellis' [SB 92](#) would limit payday loans to 20 percent of a borrower's monthly income, while holding title loans to 3 percent of a customer's annual income or 70 percent of a the vehicle's value. The bills would limit single-payment loans to three rollovers and forbid refinancing multi-payment loans. None of these bills passed out of committee.

Rep. Royce West's [SB 121](#) offers the most comprehensive reform. Lenders would have to document borrower incomes. Total loan costs could not exceed between 6 percent and 35 percent of a borrower's income, depending on loan type. The bill caps the total number of allowable payments or rollovers. SB 121 would limit payday and title loan durations to a maximum of 180 days. Borrowers would not be able to have more than one payday and one title loan simultaneously. Title loan liabilities generally could not exceed the vehicle's value. Violators could be subject to civil penalties or lawsuits.

The Senate Business and Commerce Committee approved this bill over the [objections](#) of Senators Brandon Creighton and Larry Taylor. Still, the clock has all but run out on this bill this session.

Going into the 2013 session, House Speaker Joe Straus was the top recipient of predatory-lender contributions, pocketing [10 cents](#) of every industry dollar. The silent Speaker's chamber continues to strangle meaningful reforms of this industry. In 2014 Governor Greg Abbott emerged as the industry's favorite, banking \$281,484 from the industry. Lieutenant Governor Dan Patrick

## Political Contributions of Payday Rep. Gary Elkins (2013 through 2014)

Amount	Recipient
\$20,000	Dan Patrick
\$15,000	Ken Paxton
\$10,000	John Carona
\$10,000	Conservative Republicans of TX
\$5,000	Conservative Republicans of Harris Co.
\$5,000	Tommy Merritt
\$4,750	Harris Co. Republican Party
\$1,700	TX Tea Party Republican Women
\$1,000	Daughters of Liberty Repub. Women
\$2,500	Paul Bettencourt
\$450	Republican Party of TX
<b>\$75,400</b>	<b>TOTAL</b>

Contributions by Elkins or his campaign.

snatched \$215,100 in predatory dollars, followed by new Attorney General Ken Paxton, who landed \$124,350.

The top industry contributor to Abbott, Patrick and Paxton was [Trevor Ahlberg](#) of Irving, who owns Cash Store parent Cottonwood Financial. Ahlberg plowed almost \$610,000 into Texas' 2014 elections, supplying 25 cents of every industry dollar. Notwithstanding homeboy Ahlberg's efforts, one-third of the industry's political dollars came from predatory lenders who roost in other states.

Georgia-based TitleMax kingpin Rod Aycox and the Texas Consumer Finance Association tied for second place, spending \$255,500 apiece. The legislature's in-House predatory lender, [Rep. Gary Elkins](#), pumped \$62,700 into the elections as an individual and another \$12,700 from his campaign account. Elkins and Aycox both gave the most money to Lieutenant Governor Dan Patrick.

With the working poor repeatedly "left pending in committee," the industry's political investments paid off very handsomely indeed.

## Top Predatory-Loan Contributors (2013 through 2014)

Amount	Contributor (Company)	City	Top Recipient(s)
\$609,448	<a href="#">Trevor L Ahlberg</a> (Cottonwood Financial/Cash Store)	Irving	Dewhurst
\$255,500	Rod A & Leslie Aycox Select Management Res./TitleMax)	Alpharetta GA	D. Patrick
\$255,500	TX Consumer Finance Assn.	Austin	Abbott
\$215,752	TX Consumer Lenders PAC	Arlington	Straus
\$127,500	Tracy Young (TitleMax)	Savannah GA	Abbott
\$120,700	Cash America International PAC	Fort Worth	Straus
\$82,967	C Dan Adams (Capital Corp.)	Greenville SC	D. Patrick
\$71,500	ACE Cash Express PAC	Irving	Abbott
\$62,700	<a href="#">Rep. Gary &amp; Julie Elkins</a> (Power Finance)	Houston	D. Patrick
\$58,500	Robert I & Maria F. Reich (Community Loans of America)	Deerfield B. FL	Abbott
\$55,000	Advance America Cash Advance PAC	Spartanburg SC	MXAm/Black Caucus
\$55,000	Select Management Resources (TitleMax)	Alpharetta GA	Conserv. Rep. of TX
\$52,750	TX Assn. of Pawnbrokers PAC	Austin	D. Darby
\$45,767	Priscilla E Brunner (DRKE, LLC)	Xenia OH	D. Patrick
\$42,000	Dennis Bassford (Moneytree)	Seattle WA	Rep. St. Lead. Com.
\$41,000	EZCORP PAC	Austin	K. Watson
\$35,767	Eugene & Linda McKenzie (TX Loan Corp.)	Arlington	D. Patrick
\$28,000	David Bassford (Moneytree)	Seattle WA	Rep. St. Lead. Com.
\$22,500	Andrew & Carla Brundage Morrison	San Antonio	4-way tie
\$16,500	David W & Madeline Bixel (Justice Finance Co.)	Dallas	J. Carona
\$15,590	Larry & Beverly Nuckols (Brittix Fin'l/Money Mart Pawn)	San Antonio	D. Campbell
\$15,000	John F Draude (Victory Management Co.)	Lake Dallas	P. Fallon
\$14,000	William M & Lindsay L Webster (Advance America)	Spartanburg SC	5-way tie
\$12,500	Community Loans of America, Inc	Atlanta GA	TX Leg Black Caucus
\$9,416	Rick L & Debra Wessel (First Cash Financial Services)	Colleyville	Abbott
\$8,250	Security Finance Corp. PAC	Spartanburg SC	Patrick/Van de Putte
\$7,500	William Lee Moore (Signature Loan Co.)	Dallas	M. Meyer
\$7,500	Scott A Wisniewski (Western Shamrock)	San Angelo	Abbott
\$7,250	TitleMax Finance	Savannah GA	TX Rep. Party/T Canales
\$7,000	Thomas A Young (Atlas Credit Co.)	Tyler	T. Staples
\$6,000	Cottonwood Financial (Cash Store)	Irving	Dallas Co. Rep. Party
\$6,000	Clifton & Sheridan Morris (AmeriCredit Corp.)	Fort Worth	Service Corp. Int'l PAC
\$5,000	Consumer Service Alliance of TX	Austin	TX Conserv. Coalition
\$5,000	Jeffrey Crook (Fidelity Finance/Power Finance)	Provo UT	Conserv. Rep. of TX
\$5,000	John & Lynn Hooff (Ivy Funding Co.)	Alexandria VA	Abbott
\$5,000	John & McLean Hooff (Ivy Funding Co.)	Savannah GA	Abbott
\$5,000	Ben Stribling (Stribling Co.)	San Angelo	D. Darby

Above contributors account for 97 percent of predatory money identified in 2014 cycle.

## Predatory-Loan Lobby

Max. 2015 Amount	No. of Contracts	Client	Location
\$655,000	12	Select Management Resources	Alpharetta GA
\$400,000	3	Consumer Service Alliance of TX	Austin
\$320,000	11	Cottonwood Financial	Irving
\$310,000	4	Advance America Cash	Spartanburg SC
\$300,000	3	TMX Finance	Savannah GA
\$290,000	7	Community Loans of America	Atlanta GA
\$285,000	5	ACE Cash Express	Irving
\$220,000	4	EZCORP	Austin
\$200,000	2	TX Assn. of Pawnbrokers	Irving
\$200,000	3	TX Loan Corp.	Arlington
\$190,000	6	Speedy Cash	Wichita KS
\$155,000	5	Cash America International	Fort Worth
\$110,000	2	TX Consumer Finance Assn.	Austin
\$100,000	3	Approved Money Center	Austin
\$75,000	2	Security Finance Corp	Austin
\$20,000	2	First Cash Financial Svcs.	Arlington
\$10,000	1	Springleaf Finance Mgmt. Corp.	Evansville IN
<b>\$3,840,000</b>	<b>75</b>	<b>TOTALS</b>	

## Top Predatory Lobbyists

Max. 2015 Contract	Lobbyist	Client
\$200,000	Burklund, Adam	Consumer Service Alliance of TX
\$150,000	Grimes, John Michael	Consumer Service Alliance of TX
\$150,000	Keel, Lara Laneri	TMX Finance
\$150,000	Phenix, William G	EZCORP, LLC
\$150,000	Sellers, Jennifer E	Select Management Resources
\$100,000	Alexander, Clyde H	Select Management Resources
\$100,000	Brown, Sabrina Thomas	Approved Money Center
\$100,000	Howden, Robert S	TX Consumer Finance Assn.
\$100,000	Lewis, Ron E	Cash America
\$100,000	Martinez, Mario A	TX Loan Corporation
\$100,000	Mathis, James W	Advance America, Cash Advance
\$100,000	Matz, Laura Mcpartland	Advance America, Cash Advance
\$100,000	McDaniel, Demetrius	Community Loans of America
\$100,000	Messer, Bill	ACE Cash Express, Inc.
\$100,000	Midence Steen, Yuniedth	Select Management Resources
\$100,000	Mitzner, Carsi	TX Assn. of Pawnbrokers
\$100,000	Norrington, Eric C li	ACE Cash Express
\$100,000	Partida, Neftali	Select Management Resources
\$100,000	Pate, Gardner	Select Management Resources
\$100,000	Ramirez, Rene A	Cottonwood Fin'l Admin. Svcs.
\$100,000	Reyes, Deborah Ann	Advance America, Cash Advance
\$100,000	Schreiber, Rachael Lindsey	TMX Finance
\$100,000	Urrabazo, John P	Speedy Cash
\$100,000	White, David M	Cottonwood Fin'l Admin. Svcs.
\$100,000	Woods, Lee A	Community Loans of America
\$100,000	Zottarelli, Angelo P	TX Assn. of Pawnbrokers