

THE HOUSING  
RESEARCH & ADVOCACY  
CENTER  
A New Era of Housing Justice

3631 Perkins Avenue  
Suite 3A-2  
Cleveland, OH 44114

Phone: 216-361-9240  
Fax: 216-426-1290

NON-PROFIT  
U.S. POSTAGE  
PAID  
PERMIT #857  
CLEVELAND, OH



[www.thehousingcenter.org](http://www.thehousingcenter.org)

Please check our website frequently for updates on fair housing news and events throughout Northeast Ohio

And YOU can help too! Support Housing Justice by supporting the Housing Center.

Complete this form and send it with your tax-deductible gift of:

\$1,000  \$500  \$250  \$100  \$50  Other

My check is enclosed

You can charge your donation on your VISA or Mastercard at [www.thehousingcenter.org](http://www.thehousingcenter.org)

Name \_\_\_\_\_

Address \_\_\_\_\_

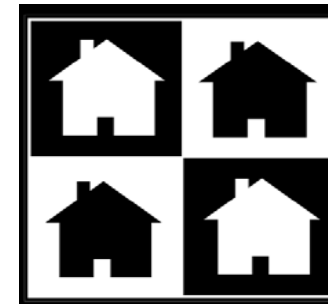
City, State \_\_\_\_\_ Zip Code \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_

Email \_\_\_\_\_

**Make checks payable to:**  
Housing Research & Advocacy Center  
3631 Perkins Avenue, Suite 3A-2  
Cleveland, OH 44114

The  
Housing



Research  
&  
Advocacy

Center  
news

Summer 2006

## Housing Center Investigates Growth of Payday Lending in Ohio

While most people wouldn't knowingly borrow money for 390% interest, that is what happens every day at the over 1,200 payday lenders located in Ohio.

"Payday lending" refers to a type of short-term lending that is primarily used by poor and working class individuals who lack adequate access to traditional credit and banking channels. Using a payday lender, an individual is able to obtain a loan, generally with a term of one or two weeks, based on a promise to repay the loan at the time of the individual's next paycheck. When the loan is taken out, the individual typically presents a post-dated personal check for the amount borrowed, plus interest and fees.

Payday loans have become an increasing problem in Ohio and nationwide due to the exorbitantly high interest rates and fees charged. While these amounts may not seem high to

many individuals as an absolute amount (e.g., under Ohio law, lenders are allowed to charge a maximum of \$75.00 in fees for a \$500.00 loan), the annualized interest rates paid are often 390%.

A result of the extremely high interest rates charged for payday loans is that borrowers often become trapped in a cycle of borrowing. When the time comes to repay the loan through their post-dated check, they are further in debt and do not have enough money to make it to their next payday, resulting in the need to take another payday loan.

In addition to targeting lower-income communities, there is evidence that payday lending is disproportionately affecting minority communities. A 2005 report by the Center for Responsible Lending in North Carolina, found that payday lenders in that state were disproportionately located in African-American neighborhoods. Even



controlling for income, poverty, homeownership, and other variables, African-American neighborhoods had three times as many payday lending stores as white neighborhoods.

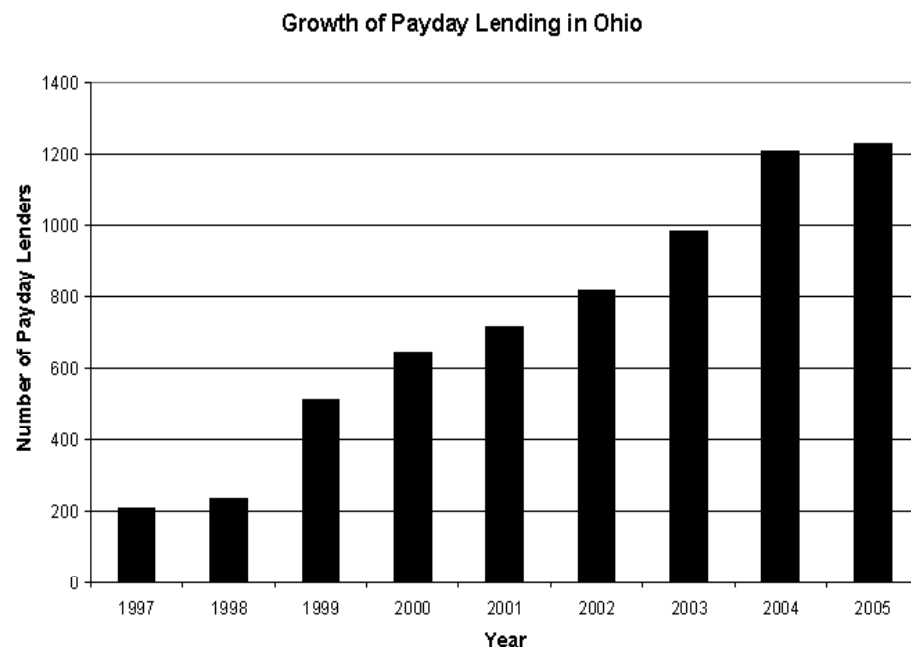
The number of payday lenders (also called "check cash lenders") in Ohio has increased dramatically in the past years, from 208 in 1997 to 1,226 in 2005. (See chart on next page.)

In an effort to systematically understand this increase, and its implications for low-income and minority communities, the Housing Research & Advocacy Center, together with Policy Matters Ohio, has

## Payday Lending (continued):

recently begun a research and advocacy project entitled "Legalized Usury: The Expansion of Payday Lending in Ohio."

In the past year, a statewide coalition of organizations and individuals, including Legal Aid attorneys, faith-based groups, non-profit consumer and housing organizations, and others, has come together to form the Payday Lending Coalition, headed by Thomas Allio, Senior Director of the Cleveland Diocese Social Action Office, to develop a strategy to combat payday lending in Ohio. This coalition's work encompasses legislation, organizing, and financial literacy and development of alternative products for consumers.



## Testing and Cases:

In the second quarter of 2006, the Housing Center filed four fair housing discrimination complaints with the U.S. Department of Housing & Urban Development (HUD) and/or the Ohio Civil Rights Commission (OCRC) as a result of our ongoing fair housing testing program. In May of 2006, the Housing Center filed a complaint with HUD and the OCRC against the builders, owners and architects of a newly constructed multi-family complex

in Warrensville Heights alleging discrimination based on disability because the units are not handicapped accessible. The complaint was referred by HUD to the OCRC, and is currently being investigated.

In addition, the Housing Center filed a complaint with the OCRC against a landlord in Parma Heights alleging discrimination based on familial status when the landlord refused to rent a three

bedroom apartment to a family with children. The OCRC is currently investigating the complaint.

In July of 2006, the Housing Center filed two additional rental cases with HUD, the first alleging discrimination based on disability in the City of Lyndhurst, and the other alleging discrimination based on race in Olmsted Township. Both of these cases are being referred to the OCRC and are being investigated.

## Funding for the Housing Center:

The Housing Center recently received funding from the Catholic Campaign for Human Development (CCHD) and the Poverty and Race Research Action Council (PRRAC) to work with Policy Matters Ohio to produce a research report "Legalized Usury: The Expansion of Payday Lending in Ohio." (See related article, page 1.) This research will assist the Ohio

Payday Lending Coalition in looking at the increase of payday lenders in the state by region over time to provide a gauge of how much and where geographically the industry has grown, as well as which companies are most involved in payday lending in the state.

The Housing Center also received a grant from the Cuyahoga County Board of County Com-

missioners to fund research on lending patterns in Cuyahoga County communities and also to conduct two Fair Housing Law seminars in Cuyahoga County.

Thank you to these agencies for their continued support of our agency and the work that we do.

## Spotlight on the Board: Jerome Walcott



Jerome Walcott is Associate Director for the Commission on Catholic Community Action. He has worked for the Commission since 1989 and works on social justice issues that have impacts on the greater Cleveland community. As Associate Director he represents the Commission's executive director and the Catholic Diocese of Cleveland in a variety of activities within the greater Cleveland community, including working with city and county agencies. Prior to being the Associate Director, Mr. Walcott was a Program Associate and a Community Organizer.

Mr. Walcott is on several committees including the Steering Committee for the Models for Unity Conference, Steering Committee for the Cuyahoga County Welfare Reform Council (1996-2000). In addition to serving on the Housing Center Board of Directors, he also serves on the Board of Directors for the Racial Fairness Project, Community Re-entry, Second Growth Institute, Community Hiring Hall and the Ohio Coalition to Prevent Handgun Violence.

Mr. Walcott has a bachelor's degree in communication from Cleveland State University.

## The Housing Center

### Board of Directors:

Sheryl King Benford  
Patricia Burgess, President  
Martha Goble  
Carole O. Heyward, Treasurer  
Peter Lawson Jones, Vice President  
CARLETON MOORE!  
Vanessa Randolph  
Gay Quereau  
Jerome Walcott

### Staff:

Jeffrey D. Dillman,  
Executive Director  
Carrie Pleasants,  
Director of Research & Investigation  
Amy Roskilly,  
Education & Outreach Coordinator  
Hope Farmby,  
Fair Housing Specialist  
Kathleen Adams,  
Fair Housing Intern  
Irving Graves,  
Office Assistant

### Mission:

To eliminate housing discrimination and assure choice in Northeast Ohio by providing those at risk with effective information, intervention and advocacy.



EQUAL HOUSING OPPORTUNITY



THE 2ND ANNUAL CHICKEN WING COOK-OFF AND FESTIVAL

an event to benefit COMMUNITY SHARES

Wednesday • August 16, 2006  
6:30pm - Palava Hut Pavilion  
Cleveland Metroparks Zoo • 3900 Wildlife Way

To purchase tickets call (216)361-9920

WWW.COMMUNITYSHARES.ORG

## Housing Center Staff News:

The Housing Center would like to welcome **Kathleen Adams** as our Fair Housing Intern for the summer. Kathleen is a recent graduate of Hathaway Brown School (HB) in Shaker Heights. During school she was president of the Moving Company, a dance group at HB, and the Midwest Coordinator for the Gay Lesbian Straight Education Network (GLSEN). Kathleen is also actively involved in the Old Brooklyn Planned Parenthood office. She will be attending Fordham University in New York City in the Fall majoring in Womens Studies and Latin American Studies.

## How you can help the Housing Center:

The Housing Center is a member of Greater Cleveland Community Shares, a community-based federation that provides an independent source of funds working to find long-term solutions to a diverse range of social justice issues.

You can donate to the Housing Center through Community Shares workplace charitable campaigns. Simply specify the Housing Center on the designation line of the Community Shares pledge card. If your employer does not currently offer Community Shares as a part of your workplace's annual fundraising campaign and you would like to learn how Community Shares can be included, please call their office at 216/361-9920.