



DIVISION OF FINANCE

301 West High Street, Room 630  
P.O. Box 716  
Jefferson City, MO 65102-0716  
(573) 751-3242  
(573) 751-9192 FAX  
[www.finance.mo.gov](http://www.finance.mo.gov)

Rob Barrett  
Commissioner

January 26, 2021

The Honorable Michael L. Parson, Governor  
State Capitol Building  
Room 216  
Jefferson City, Missouri 65101

Re: Report to General Assembly pursuant to section 408.506, RSMo

Dear Governor Parson:

The Division of Finance has, in accordance with section 408.506, RSMo, conducted a survey by mail of payday lenders operating pursuant to section 408.500. The reporting timeframe was October 1, 2019 through September 30, 2020. The summary is based on a 82.4% return of surveys by the industry. The attached chart (Exhibit A) details the results of the survey and also provides historical data for comparison. Some highlights include:

- 580 payday loan licenses were issued during calendar year 2020. Lenders closed and opened locations throughout the year with 539 being the approximate average number active at any given time.
- The total number of payday loans made during the reporting period exceeded 301,000. (For purposes of this survey, a renewal was treated as a separate loan.)
- The average loan was \$272.72 and the average interest rate was 414.29%. This would result in an interest/fee of \$43.34 for a 14-day loan.

The Division of Finance accepts all types of consumer complaints, including phone calls, email, fax, mail, etc. While most of the contacts from citizens were resolved by explaining the law, the Division did document 2 complaints filed during the reporting period. Complaints consisted of issues such as reporting to credit agencies, collection tactics, proper credit of payments, and customers being unable to make payments due to the location being closed. Most cases were resolved by telephone with the licensee.

The Honorable Michael L. Parson, Governor  
Report to General Assembly pursuant to section 408.506 RSMo  
January 26, 2021  
Page 2

The Division of Finance continues to perform examinations of all payday lenders and overall compliance with current statutes continues to be monitored. During 2020, 97.8% of the licensees examined received a satisfactory compliance evaluation. Refunds totaling over \$4,450.00 were ordered. Cease and desist orders are issued in instances of serious non-compliance. During 2020, one such order was issued.

As section 408.506 RSMo also requires the Division to summarize the payday loan laws from contiguous states, we conducted a survey of such states' laws. The results may be found in Exhibit B attached.

We believe the foregoing satisfies the requirements of section 408.506 RSMo.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Ree Barrett', is written over a faint, circular stamp or watermark.

Ree Barrett  
Commissioner

RB: cg  
Enclosures (2)

**Payday Lender  
General Assembly Report**

	January 2013	January 2015	January 2017	January 2019	January 2021
Number of Licenses Issued	1,066	984	904	662	580
% Change from previous	-19.00%	-7.69%	-8.13%	-27.1%	-12.4%
Number of Active Licenses (approx)	1,040	934	898	617	539
% Change from previous	-18.43%	-10.19%	-3.85%	-31.3%	-12.6%
Number of Loans Made*	2.43 million	2.34 million	1.87 million	998,776	301,273
% Change from previous	-14.13%	-3.70%	-20.08%	-53.4%	-69.8%
Average Loan Amount*	\$307.56	\$306.12	\$309.64	\$306.49	\$272.72
Average Number of Renewals*	1.6	1.5	1.6	1.6	1.3
Defaulted Loans*	146,880	122,364	111,342	46,759	13,282
% of Total Loans Made	6.03%	5.23%	5.95%	4.68%	4.41%
Average Annual Percentage Rate (APR)*	444.61	454.62	451.91	526.74	414.29

\*Based on figures provided by industry surveys.

**PAYDAY LOANS IN CONTIGUOUS STATES**

	<b>Licenses</b>	<b>Maximum Loan</b>	<b>Rate / Fees</b>	<b>Term</b>	<b>Renewals</b>	<b>Complaints</b>
Missouri	522 as of year-end 2020	\$500	A loan and all renewals thereof may not earn more than 75% of the original principal in interest and fees.	14 day minimum  31 day maximum	Limited to 6	During 2020, one regarding a licensed lender, one regarding an unlicensed Internet lender
Arkansas	Industry is no longer regulated in Arkansas; therefore no information to report.					
Kansas	51 companies  175 branches	\$500	Interest: Max of 15% of the amount of the cash advance  Fees: 3% per month of the loan proceeds after the maturity date	7 – 30 days	No	2019 – 4  2020 – 1
Iowa	No response to request for information.					
Tennessee	771	\$500 (including fee)	May not exceed 15% of the face amount of the check	Not more than 31 days	No	2 for calendar year 2019
Kentucky	391	\$500	\$15 per 100	14 days	No	2019: 21 licensed; 27 unlicensed  2020: 5 licensed; 13 unlicensed
Nebraska	64	\$500	APR limited to 36% (Ballot initiative passed Nov 2020)	34 days or less	Not allowed	2019: 1  2020: 0
Illinois	398	Regulated by monthly payment – the lower of \$1000 or 22.5% of gross income	\$15.50 per \$100 per installment period/month (turns out to be approx. 404%)	Standard PDL, 45 days max; Installment PDL is 180 days	1 renewal up to a total of 45/180 days indebtedness	8 in 2020
Oklahoma	As of 7/31/2020 all Deferred Deposit Loans ended in Oklahoma; there are currently no licenses in force.					