



DIVISION OF FINANCE

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Mick Campbell  
Acting Commissioner

January 31, 2023

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, in accordance with section 408.506, RSMo, has conducted a survey of payday lenders operating pursuant to section 408.500. Pursuant to statute, a copy of those results has been provided to the General Assembly and as a courtesy we are providing a copy to you. The reporting timeframe was October 1, 2021 through September 30, 2022. The summary is based on an 84.8% 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:

- 321 payday loan licenses were issued during calendar year 2022. Lenders closed and opened locations throughout the year with 339 being the approximate average number active at any given time.
- The total number of payday loans made during the reporting period exceeded 226,000. (For purposes of this survey, a renewal was treated as a separate loan.)
- The average loan was \$307.33 and the average interest rate was 365.07%. This would result in an interest/fee of \$43.03 for a 14-day loan and \$95.29 for a 31-day loan.

The Division of Finance accepts all types of consumer complaints and inquiries through phone calls, email, fax, mail, etc. While most of the contacts from citizens were resolved by explaining the law in relation to their situation the Division did document one complaint filed during the reporting period. - Complaints consist 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.

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The Division of Finance continues to perform examinations of all payday lenders and overall compliance with current statutes continues to be monitored. During 2022, all 167 of the licensees examined received a satisfactory compliance evaluation. Refunds totaling over \$4,403.90 were ordered. Cease and desist orders are issued in instances of serious non-compliance. During 2022, no 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mick Campbell".

Mick Campbell  
Acting Commissioner

MC: cg  
Enclosures (2)

cc: Speaker of the House, Honorable Dean Plocher  
Chief Clerk and House Administrator, Ms. Dana Rademan Miller  
Senate Pro Tem, Honorable Caleb Rowden  
Senate Secretary, Ms. Adriane Crouse

## Payday Lender General Assembly Report

	January 2015	January 2017	January 2019	January 2021	January 2023
Number of Licenses Issued	984	904	662	580	522
% Change from previous	-7.69%	-8.13%	-27.1%	-12.4%	-10%
Number of Active Licenses (approx)	934	898	617	539	308
% Change from previous	-10.19%	-3.85%	-31.35%	-12.6%	-42.9%
Number of Loans Made*	2.34 million	1.87 million	998,776	301,273	226,725
% Change from previous	-3.70%	-20.08%	-53.4%	-69.8%	-24.7%
Average Loan Amount*	\$306.12	\$309.64	\$306.49	\$272.72	\$307.33
Average Number of Renewals*	1.5	1.6	1.6	1.3	2.5
Defaulted Loans*	122,364	111,342	46,759	13,282	16,774
% of Total Loans Made	5.23%	5.95%	4.68%	4.41%	7.39%
Average Annual Percentage Rate (APR)*	454.62	451.91	526.74	414.29	365.07

\*Based on figures provided by industry surveys.

**PAYDAY LOANS IN CONTIGUOUS STATES**

	Licenses	Maximum Loan	Rate / Fee	Term	Renewal	Complaints
Missouri	330 as of year-end 2022	\$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 2022, 1 unlicensed lender.
Arkansas	Industry is no longer regulated in Arkansas; therefore no information to report.					
Kansas	40 companies  181 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	9
Iowa	75	\$500	15% on first \$100 on face of check + 10% on amount over \$100	31 day maximum	No	3- Unlicensed lenders
Tennessee	702	\$500 (including fee)	May not exceed 15% of the face amount of the check	Not more than 31 days	No	3
Kentucky	255	\$500	\$15 per 100	14 days	No	2021: 8 licensed; 0 unlicensed  2022: 6 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; therefore currently no licenses to report.					