

January 2025

Dear Loki

As Alaskan Senator,

I am writing to you as one of your constituents and a member of (St Mary's Episcopal Church). Recently our congregation has been learning about the state of "Pay Day" lending in Alaska, and the ways in which these lenders are able to charge usurious rates to their borrowers. We've learned that often these borrowers are already in precarious economic situations before they become ensnared by these loans.

For the past two years there has been a legislative effort to reform these small dollar loans. A similar bill, SB 39, has been reintroduced for this session that would better regulate this industry and cap interest rates at 36%. I, and my church, sincerely hope that such a commonsense bill will quickly pass this year.

We as Christians, like people of many faiths, are taught in our scriptures to be in solidarity with our most vulnerable neighbors, including with the poor (e.g. Matthew 25:3-46). Furthermore, we are taught in our scriptures to lend with generosity and with compassion (e.g. Deuteronomy 24:10-22 and Zechariah 7:8-14).

Our concern as Christians is that current Alaskan laws allow these lenders to prey on exactly our neighbors who most need protection from exploitative lending practices. Thank you for your commitment to the Anchorage area and all of Alaska. This issue affects ALL Alaskan no matter what party affiliation is.

Sincerely,

Rilene Ann

11500 Conquistador #303

Eagle River Alaska 99577

Email - [rilene907@gmail.com](mailto:rilene907@gmail.com)

The only thing necessary for the triumph of evil is for good men to do nothing – Edmund Burke

Rilene Ann, MPA, CDC1



Dear legislators,

The Alaska Conference of the United Methodist Church, comprising all of our churches across the Great Land, includes republicans, democrats, conservatives, liberals and moderates. On both Monday June 5, 2023 and Friday June 28, 2024 they unanimously adopted a resolution in support of Pay Day Lending Reform as is proposed in Senate Bill 39. Similar bills have been discussed in the last two sessions with broad bipartisan support, only to fail to be scheduled for a vote before the deadline for adjournment. Our hearts break for our neighbors, many of whom come to our churches for food, rent, or financial assistance, who continue to be victimized by these predatory lenders. SB 39 is a sensible reform that will meaningfully prevent more harm.

The Alaska Conference of the United Methodist Church unanimously adopted the following resolution with regards to Pay Day Lending practices in the state of Alaska. We encourage each of our legislators to take action in this session to reform pay day lending in our state by removing the exemption for pay day lenders of the 36% APR cap for loans under \$25,000.

WHEREAS, Scripture teaches that all persons are of sacred worth (Genesis 1:26); and

WHEREAS, Scripture teaches that the people of God are not to take advantage of the weak, the poor, and the vulnerable (Proverbs 14:31; Deuteronomy 24:10–22; Zechariah 7:8–14); and

WHEREAS Payday Lending institutions in Alaska exploit financially struggling households by charging excessive rates of interest upwards of 400% APR on cash advances and payday loans; and

WHEREAS there are multiple alternatives available for short-term, small dollar loans beyond Payday lenders; and

WHEREAS, The 2016 Book of Discipline of the United Methodist Church states in the Social Principles: “Financial institutions serve a vital role in society. They must guard, however, against abusive and deceptive lending practices that take advantage of the neediest among us for the gain of the richest. Banking regulations must prevent the collection of usurious interest that keeps people in cycles of debt.” (Social Principles, 163J Finance); and

WHEREAS, The Book of Resolutions in R4064 says, "Today's global economy is premised on credit involving individuals, businesses, and institutions that exchange goods and services with the promise of future payment. This credit market has enhanced efficiency and brought many consumer benefits. These markets have also given rise to abusive and predatory practices, however, that challenge the conscience of Christians. Among our most pressing concerns are contemporary financial practices and business models that entrap people in cycles of debt. These practices are exacerbated by lenders employing tactics to exempt themselves from banking regulation and traditional usury laws;" and

WHEREAS, The United Methodist Church directs all general agencies to invest in banks that have “policies and practices that preclude predatory or harmful lending practices” (Resolution 4071);

BE IT THEREFORE RESOLVED that the Alaska Conference of The United Methodist Church Supports the passage of legislation removing the exemption for pay day lenders of the 36% APR cap for loans under \$25,000 in the state of Alaska.

Respectfully,  
Rev. Nico Reijns, Conference Secretary

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Rilene Ann, MPA, CDC1



January 28th, 2025

Alaska State Legislature  
Alaska State Capitol  
120 4<sup>th</sup> Street  
Juneau, AK 99801

RE: Support for Senate Bill 39 – Loans Under \$25,000; Payday Loans

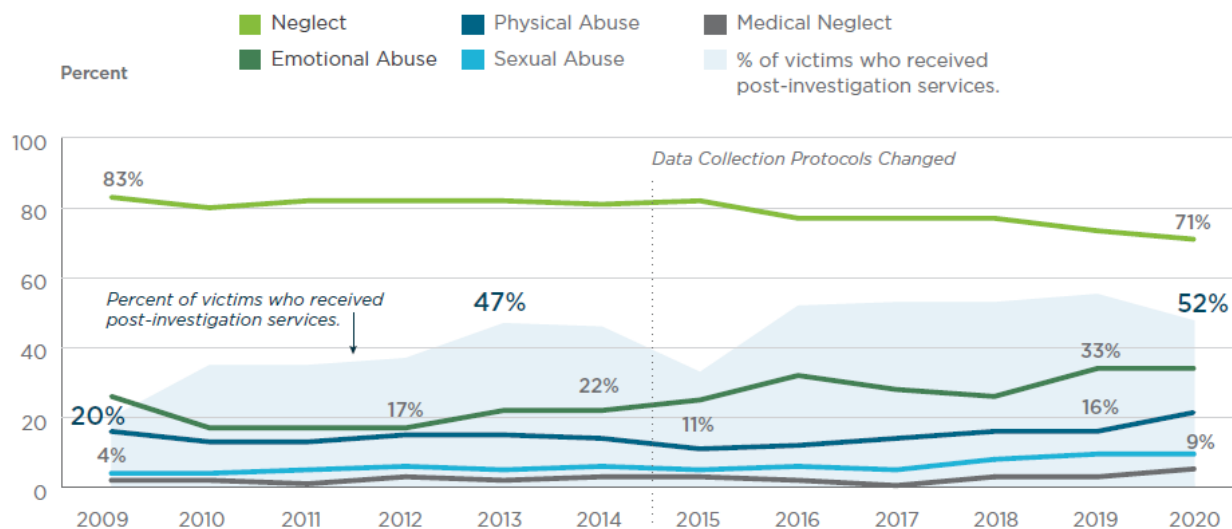
Honorable Members of the Alaska State Legislature,

The Alaska Children's Trust (ACT) offers support for Senate Bill 39, which seeks to establish reasonable consumer protections for payday lending practices in Alaska. As the statewide lead organization focused on the prevention of child abuse and neglect, ACT fully supports enacting legislation to prevent the long-term, negative impacts of high-interest small-dollar loans on Alaskan families, including the increased likelihood of child maltreatment.

The detrimental impact of economic hardships and poverty on family well-being is widely acknowledged, serving as a major risk factor for child abuse and neglect. Financial strain can have far-reaching effects on family dynamics, amplifying stress, anxiety, and frustration within households. Parents may also find it increasingly difficult to provide for their children's basic needs, such as food, a safe place to live, clothes, and medical care. This scarcity of resources and the constant pressure to become financially solvent can result in a spectrum of behaviors, ranging from involuntary neglect to the emotional and psychological exhaustion of parents, increasing the risk of abusive behaviors directed towards their children.

To alleviate economic hardships or meet short-term deficits, Alaskan families often rely on payday loans. However, financial strain resulting from payday loans can both cause and further exacerbate these challenges. The appeal of payday loans lies in their easy accessibility and quick cash disbursement, naturally making them attractive options in times of immediate financial need. However, extremely high interest rates and short repayment periods associated with these loans can easily trap families in a cycle of debt and poverty.

In 2020, neglect and medical neglect made up 75% of all substantiated child maltreatment cases in Alaska, illustrating how distinctly tied economic hardship is to Alaska's incredibly high rates of child abuse and neglect.



**Figure 15. Distribution of Children Who Are Confirmed by Child Protective Services as Victims of Maltreatment by Maltreatment Type, Percent (2009-2014, 2015-2020)**

Source: U.S. Department of Health and Human Services, Administration for Children and Families, Administration on Children, Youth and Families, Children's Bureau. Retrieved from: KIDS COUNT Data Center.

Senate Bill 39 addresses the need to standardize rational safeguards for low-income families who face financial instability. By ensuring payday loans are subject to a reasonable maximum interest rate in line with other small-dollar loans, Alaska can mitigate a known contributing factor to cycles of poverty that can lead to adverse outcomes for children.

As Alaska continues to grapple with one of the highest rates of child abuse and neglect in the country, we should be looking at every possible solution to help strengthen our children and families. By strengthening and implementing consistent consumer protections for moments when families are in greatest need, we can foster a state that prioritizes economic stability and the well-being of Alaska's most valuable resource – our children.

Together, we can prevent child abuse and neglect. Thank you for your consideration and support of Senate Bill 39.

Sincerely,

Trevor J. Storrs  
President & CEO  
Alaska Children's Trust