

Birmingham

I. Introducing Birmingham

City Population:	212,157 ¹
Poverty Rate:	30.9% ²
Unemployment Rate:	3.1 ³
Job Growth Rate:	Projected 1.5% in 2017 ⁴
Total City Debt:	\$3.14 billion for Jefferson County ⁵
Debt per capita:	\$401 ⁶
Living Wage:	\$10.98 for 1 adult, \$22.41 for 1 adult and 1 child, \$28.20 for 1 adult and 2 children ⁷
Minimum Wage:	\$7.25 ⁸
Median Household Income:	\$51,459 in 2015 ⁹
Cost of Living:	\$22,843 for 1 adult, \$46,606 for 1 adult and 1 child and \$58,660 for 1 adult and 2 children ¹⁰
Rent vs. Own:	31.07% rent ¹¹
Rent Assistance:	Resources for rent assistance
Senior Living:	Jefferson County Senior Services
Drug Abuse:	Addiction Services in Birmingham
Alcoholic Help:	Addiction Services in Birmingham
Housing Resources:	Jefferson County Housing Authority
Homeless Shelters:	Homeless shelter directory
Financial Assistance:	Jefferson County Assistance Programs
Veterans Assistance:	Birmingham Veterans Affairs

¹ Census Bureau

<https://www.census.gov/quickfacts/fact/map/birminghamcityalabama/PST045216#viewtop>

² Census Bureau

<https://www.census.gov/quickfacts/fact/map/birminghamcityalabama/PST045216#viewtop>

³ Bureau of Labor Statistics https://www.bls.gov/eag/eag.al_birmingham_msa.htm

⁴ Birmingham Business Journal <https://www.bizjournals.com/birmingham/news/2017/08/30/alabama-job-growth-expected-to-pick-up-the-pace-in.html>

⁵ <https://www.reuters.com/article/us-usa-alabama-jeffersoncounty1/alabama-county-files-biggest-municipal-bankruptcy-idUSTRE7A94CP20111110>

⁶ <http://parcalabama.org/wp-content/uploads/2017/04/How-Alabama-City-Finances-Compare.pdf>

⁷ Living Wage Calculator <http://livingwage.mit.edu/counties/01073>

⁸ <http://livingwage.mit.edu/counties/01073>

⁹ <http://www.deptofnumbers.com/income/alabama/birmingham/>

¹⁰ <http://livingwage.mit.edu/counties/01073>

¹¹ <http://www.deptofnumbers.com/rent/alabama/birmingham/>

II. Payday Loans in Birmingham

Legal Status:	Legal
Payday Transactions:	2 million payday loans in 2015 - each borrower taking out 8 loans each ¹²
Payday Fee per \$100:	\$17.50 ¹³
% of Customers Refinancing:	66% ¹⁴
Average Loan Size:	\$326 - average fee of \$56 ¹⁵
Maximum loan amount and interest rate	\$500 and 456% ¹⁶
Maximum annual interest rate:	456% ¹⁷
City Specific Regulations:	747 licensed payday lenders in 2016 - down from 1,100 in 2015 ¹⁸ Maximum limit of \$500 ¹⁹
Consumer Example:	Stephen Stetson, a policy analyst at Alabama Arise, said the repeat usage suggests that people are using the loans to pay recurring expenses and not just for emergencies. "These loans are marketed for emergency use only. If somebody is taking out that many in a year, it means they are using them to pay the bills," Stetson said. ²⁰
Notable News Stories:	<ul style="list-style-type: none"> ● Alabama's toxic lending problem: Who cares? http://www.al.com/opinion/index.ssf/2017/05/alabamas_toxic_lending_problem.html ● Alabamians used payday loans two million times in 2015 http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html ● Payday lending stores in Alabama: Facts and Issues http://www.lwval.org/payday-lending/payday-lending-facts-&-issues.pdf

¹² http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html

¹³ <http://www.lwval.org/payday-lending/payday-lending-facts-&-issues.pdf>

¹⁴ <http://www.lwval.org/payday-lending/payday-lending-facts-&-issues.pdf>

¹⁵ http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html

¹⁶ http://www.al.com/opinion/index.ssf/2017/05/alabamas_toxic_lending_problem.html

¹⁷ http://www.al.com/opinion/index.ssf/2017/05/alabamas_toxic_lending_problem.html

¹⁸ http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html

¹⁹ http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html

²⁰ http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html

Political Connections	<p>“Payday lenders gave more than \$475,000 to lawmakers during the last election season, including top legislative leaders and members of key legislative committees.”²¹</p> <p>Here are a few highlights from the results: two-thirds of Alabamians support banning payday loans outright; 65% of Alabamians support a 36% APR cap on payday loans; 63% of Alabamians support banning high cost installment loans.</p> <p>Lobbying efforts by lenders in 2002 resulted in the modification of the Alabama Small Loan Act that provided an alternative rate schedule increasing allowable loans to approximately 190% APR (Act 1959-374 Sect. 5-8-15, Alternative rate schedule, subsection (m)). In 2003, the Legislature passed the Deferred Presentment Act, carving out additional exceptions for small loans and setting the current APR at 456% (Act 2003-359)²²</p>
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III. Title Loans in Birmingham

Legal Status:	Legal
Auto-Title Loan Transactions in Alabama	\$357 million ²³ or 152,544 ²⁴ in 672 title loan stores
Fee per \$100:	25% per month
% of Customers Refinancing:	
Average Loan Size:	More than \$1,000 ²⁵
Repossession Rate:	1 in 5 nationally ²⁶
Total car title loan fees	300% APR
Repossessions (transactions per repossession):	
City Specific Regulations:	Currently, title loans are governed by the Pawnshop Act, which allows 300 percent annual interest rates ²⁷
Consumer Example:	

²¹ http://www.al.com/opinion/index.ssf/2017/05/alabamas_toxic_lending_problem.html

²² <http://www.lwval.org/payday-lending/payday-lending-facts-&-issues.pdf>

²³ <http://blog.credit.com/2016/05/1-in-5-auto-title-loan-borrowers-have-their-vehicle-seized-144700/>

²⁴ <http://www.responsiblelending.org/state-of-lending/reports/7-Car-Title-Loans.pdf>

²⁵ <https://www.sapling.com/6820766/alabama-laws-title-loans>

²⁶ <http://blog.credit.com/2016/05/1-in-5-auto-title-loan-borrowers-have-their-vehicle-seized-144700/>

²⁷ http://blog.al.com/birmingham-news-commentary/2012/09/viewpoints_alabama_leads_natio.html

Notable facts	According to a 2006 report from the Consumer Federation of America, Alabama and Georgia are the only states in which a lender can keep the entire proceeds from the resale of a vehicle repossessed after a loan default. If a borrower defaults on payment of a \$1,500 loan on a \$6,000 car, for example, the lending agency can repossess the car, resell it and legally keep the whole sum from the sale. ²⁸
Notable News Stories:	<ul style="list-style-type: none"> • VIEWPOINTS: Alabama leads nation in car-title loan outlets

IV. A Fight Against Payday and Title Loans in Birmingham, AL

Foundations for Help:	<ul style="list-style-type: none"> • Jefferson County Committee for Economic Opportunity • Neighborhood Housing Services of Birmingham, Inc. • United Way 211
Legal Assistance:	<ul style="list-style-type: none"> • Legal Aid Society of Birmingham • Legal Services Alabama • Birmingham Bar Volunteer Lawyers Program
Notable News Stories on Helping Consumers:	With 239,000 Alabamians using payday loans, Alabama Sen. Arthur Orr wants industry reform

Regulator:	State of Alabama State Banking Department ATTN: Consumer Lending P.O. Box 4600 Montgomery, AL 36103-4600 Consumer.Lending@banking.alabama.gov (334)242-3452

²⁸ http://blog.al.com/birmingham-news-commentary/2012/09/viewpoints_alabama_leads_natio.html

References:

- **Alabama's toxic lending problem: Who cares?**
http://www.al.com/opinion/index.ssf/2017/05/alabamas_toxic_lending_problem.html
- Alabamians used payday loans two million times in 2015
http://www.al.com/news/index.ssf/2016/09/alabamians_use_payday_loans_tw.html
- Payday lending stores in Alabama: Facts and Issues <http://www.lwval.org/payday-lending/payday-lending-facts-&-issues.pdf>
- [VIEWPOINTS: Alabama leads nation in car-title loan outlets](#)
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