



 MORNING CONSULT

# INTEREST RATE CAP POLLING RESULTS

January 2020

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# Methodology

## National Survey Methodology

Morning Consult conducted a survey on behalf of the Center for Responsible Lending from January 9-15, 2020. The survey was conducted online among a national sample of 9,962 registered voters. The data were weighted to approximate a target sample of registered voters based on age, race/ethnicity, gender, educational attainment, and region (national data only). Results from the full survey have a margin of error of +/- 1%.

## Multilevel Regression with Poststratification (MRP) Methodology

Responses to the survey questions are modeled via multilevel regression as a function of both individual level and state-level variables. Our models use age, gender, education and race as individual-level predictor variables. For our state-level variables, we chose variables that may influence state-level vote choice such as the percent change in state gross domestic product (GDP), state unemployment rates, state median household income and state-level outcomes from the 2016 presidential election.

Morning Consult obtained population parameters for registered voters from the November 2016 Current Population Survey. We applied post-stratification weights at the state level based on gender, age, educational attainment and race using the American Community Survey (ACS).

## Key Points

1

**Seventy percent (70%) of voters support a 36% annual interest rate cap on payday and consumer installment loans.**

- Over half (52%) of registered voters “strongly support” a 36% rate cap on payday loans. Similarly, forty-one percent (41%) of registered voters “strongly support” a 36% cap on consumer installment loans.
- Voters support a 36% interest rate cap for payday loans, with a 64%-73% total support across all 50 states and DC.
- Voters support a 36% interest rate cap for consumer installment loans, with a 60%-72% total support across all 50 states and DC.

2

**When voters oppose a 36% interest rate cap on payday loans, three in five (61%) do so because they believe that 36% annual interest is too high and a rate cap should be much lower.**

3

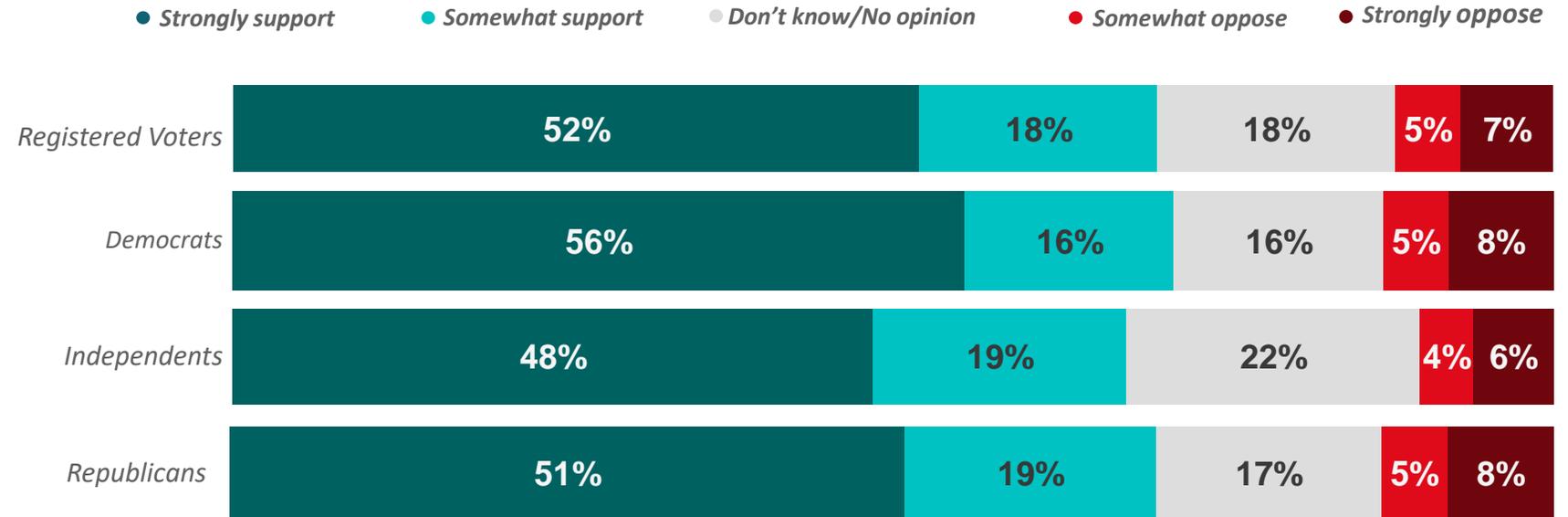
**The majority of voters (62%) have an unfavorable impression of payday lenders.**

- Forty-four percent (44%) of registered voters have a very unfavorable impression of payday lenders.
- Payday lenders lag behind the IRS in terms of favorability.

# Rate Cap Proposal

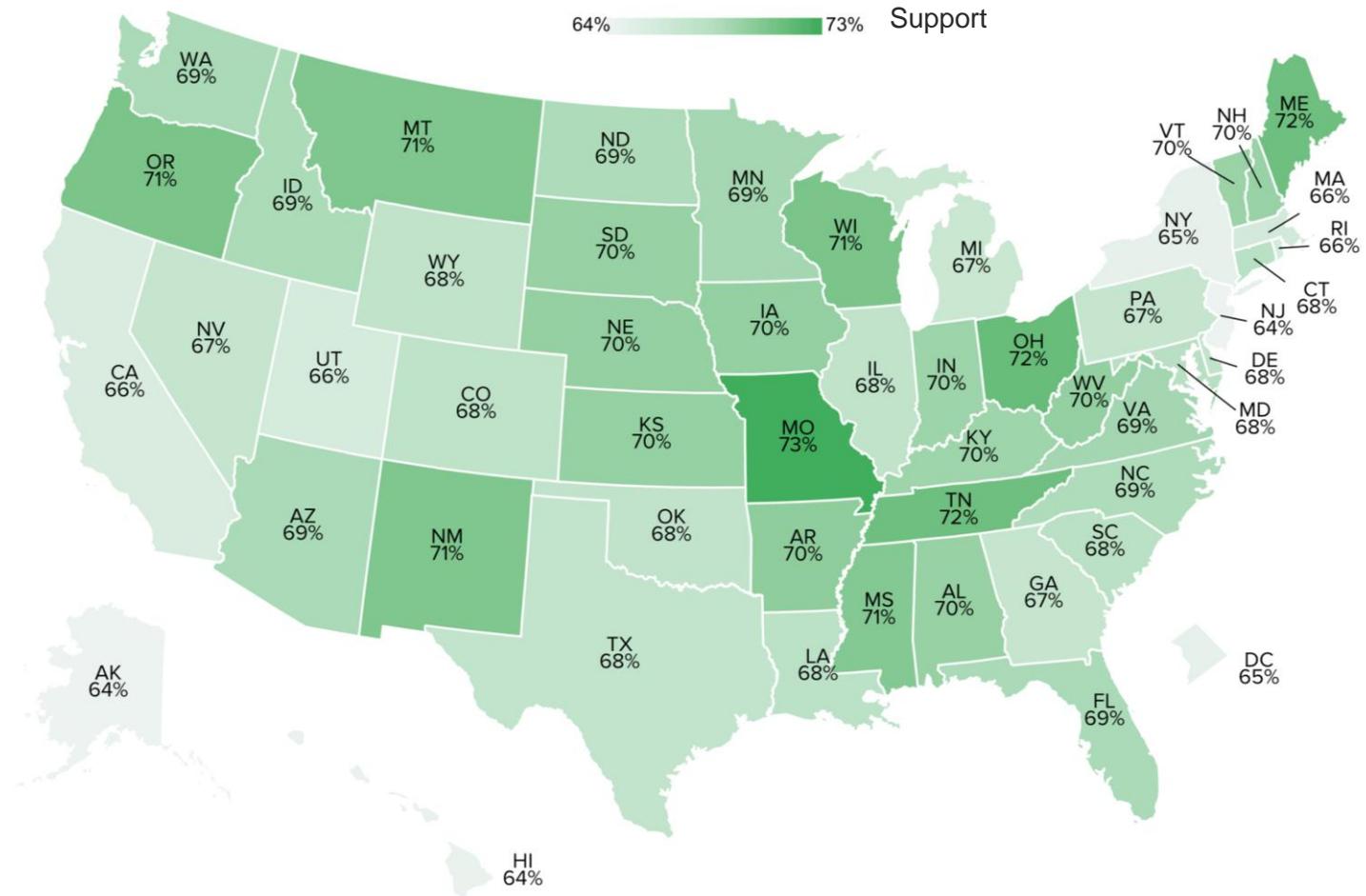
## 70% OF VOTERS SUPPORT A 36% ANNUAL INTEREST RATE CAP FOR PAYDAY LOANS, WITH OVER HALF “STRONGLY SUPPORTING”

Seventy percent of voters support a cap on the interest rates that payday lenders may charge at 36%. **Importantly, more than half of voters (52%) report they strongly support.** Statistically, half of all Democrats, independents, and Republicans strongly support a cap at 36% annual interest.



Q: As you may know, the average annual interest rate on payday loans is 391%. Would you support or oppose a proposal to put a cap on the interest rates that payday lenders may charge at 36% annual interest?

## 64-73% OF REGISTERED VOTERS IN EVERY STATE SUPPORT A 36% RATE CAP ON PAYDAY LOANS



# Rate Cap Proposal

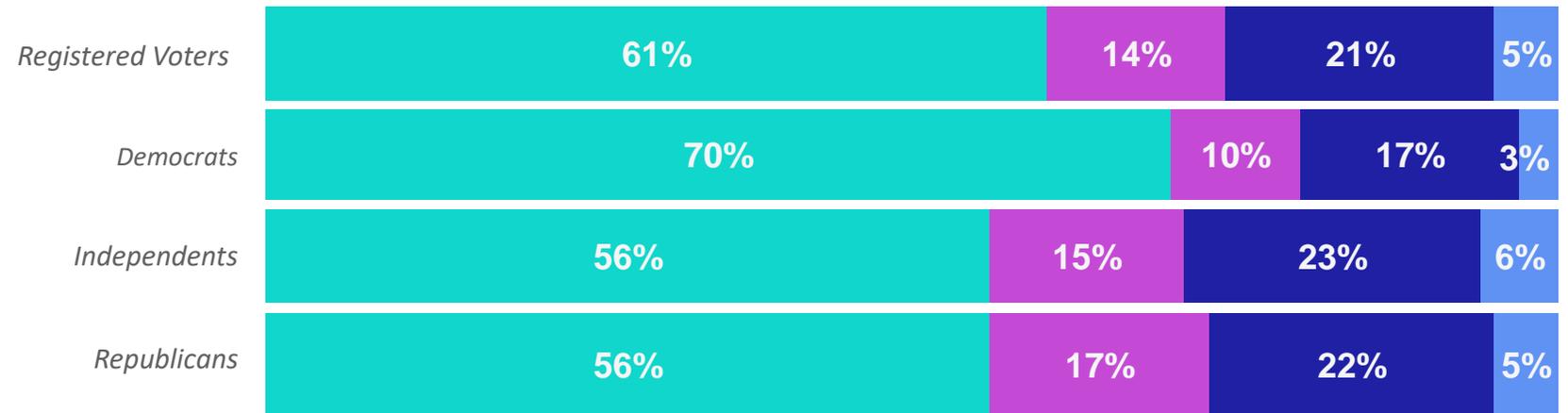
Q: As you may know, the average annual interest rate on payday loans is 391%. Would you support or oppose a proposal to put a cap on the interest rates that payday lenders may charge at 36% annual interest?

\* Nationally, of the registered voters who said they oppose a rate cap of 36% annual interest for payday loans, 62% said they opposed because 36% interest was too high.

## OF THOSE WHO OPPOSE A CAP, 61% OF THOSE VOTERS REPORT THAT IT IS BECAUSE THEY BELIEVE 36% ANNUAL INTEREST IS STILL TOO HIGH AND SHOULD BE MUCH LOWER

A majority of Democrats, Republicans and independents who oppose a 36% annual interest rate cap believe that 36% annual interest is still too high and should be much lower. (N=1174).

- 36% interest is too high; the maximum rate that payday lenders can charge should be much lower.
- Payday lenders should be able to charge any rate.
- Capping interest rates for payday lenders could put some of them out of business, and you are concerned that could result in less access to credit and fewer options for consumers.
- Other



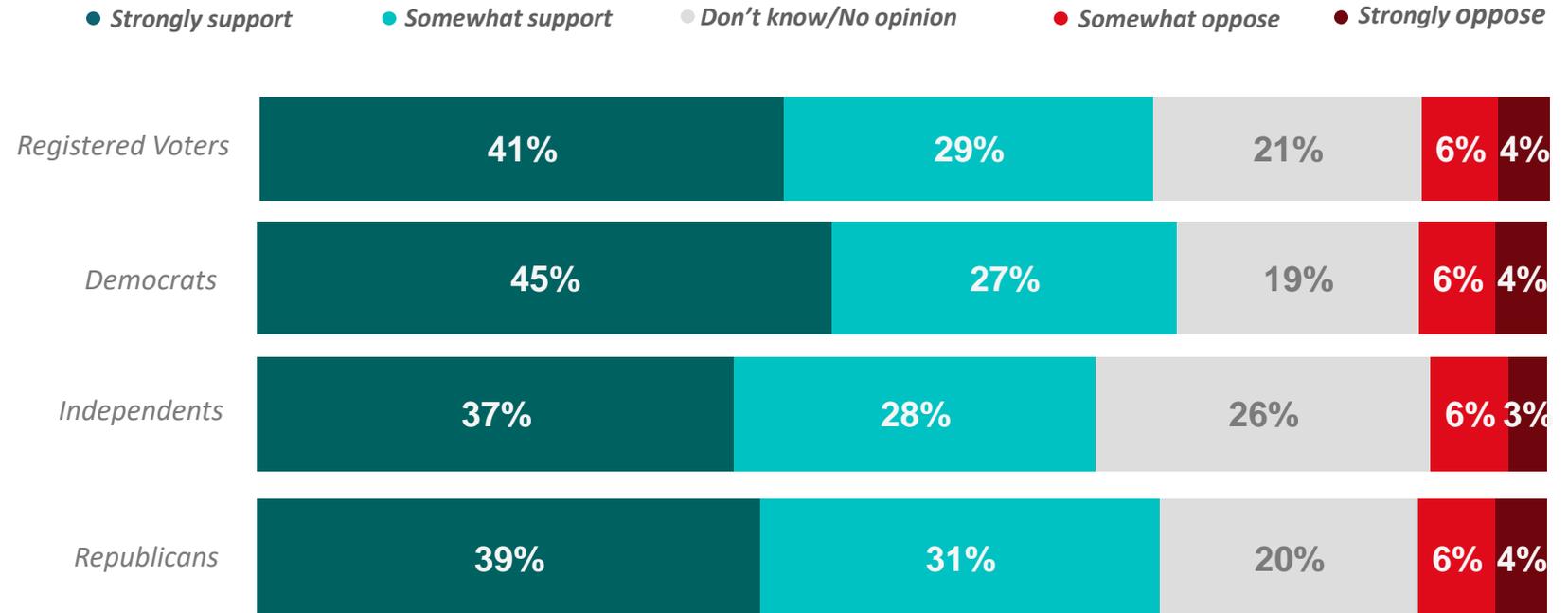
Q: You reported that you oppose a proposal to cap the interest rates that payday lenders may charge at 36%. Which of the following comes closest to why you oppose capping interest rates at 36%?

# Rate Cap Proposal

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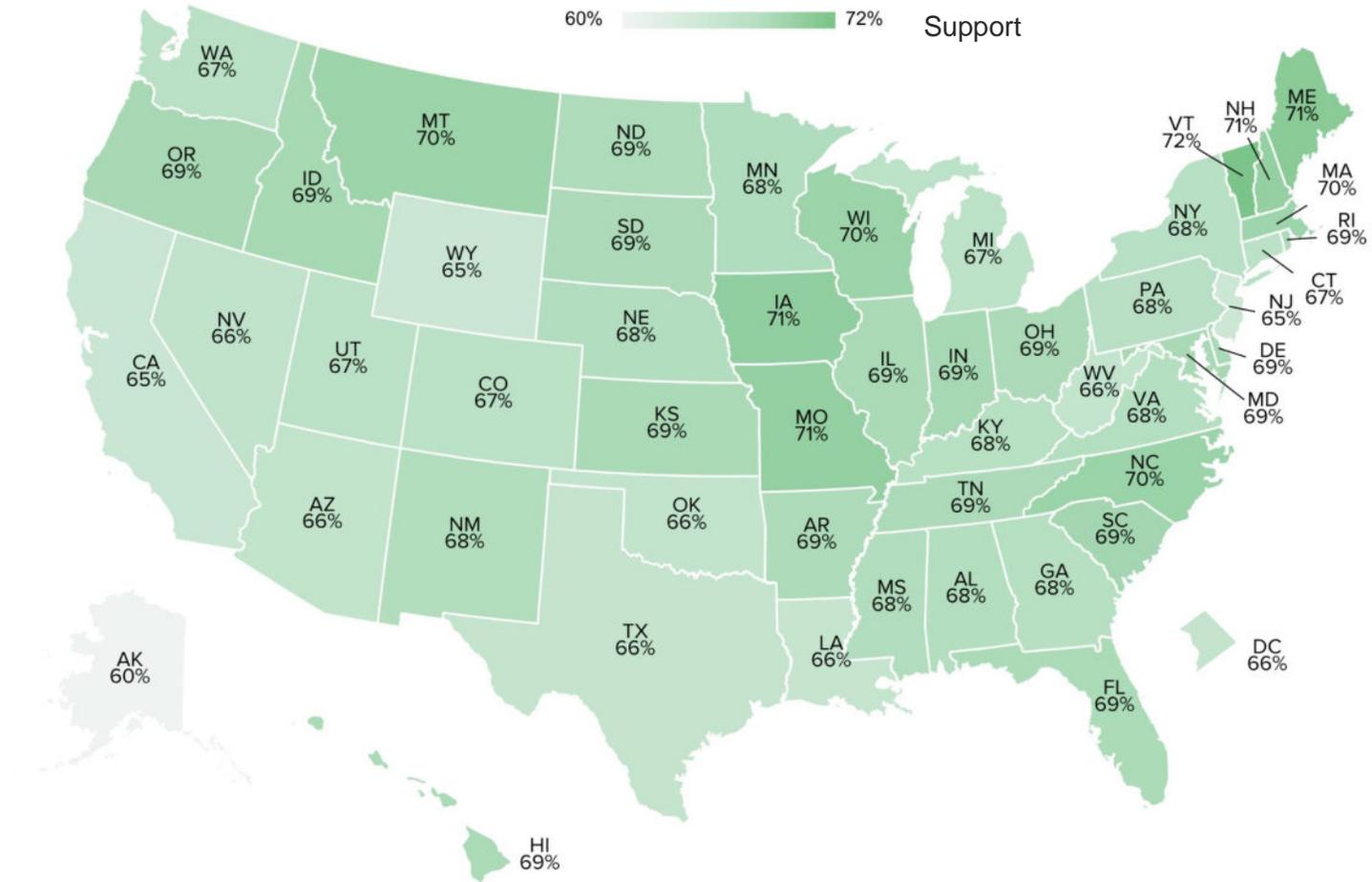
## 70% OF VOTERS SUPPORT A 36% ANNUAL INTEREST RATE CAP FOR INSTALLMENT LOANS, WITH 41% “STRONGLY SUPPORTING”

This proposal sees wide support among Democrats, independents, and Republicans alike.



Q: As you may know, the annual interest rate with fees for consumer installment loans can range from below 10% to well over 100%. Would you support or oppose a proposal to put a cap on the interest rates of these loans at no more than 36% annual interest?

# 60-72% OF REGISTERED VOTERS IN EVERY STATE SUPPORT A 36% RATE CAP ON CONSUMER INSTALLMENT LOANS



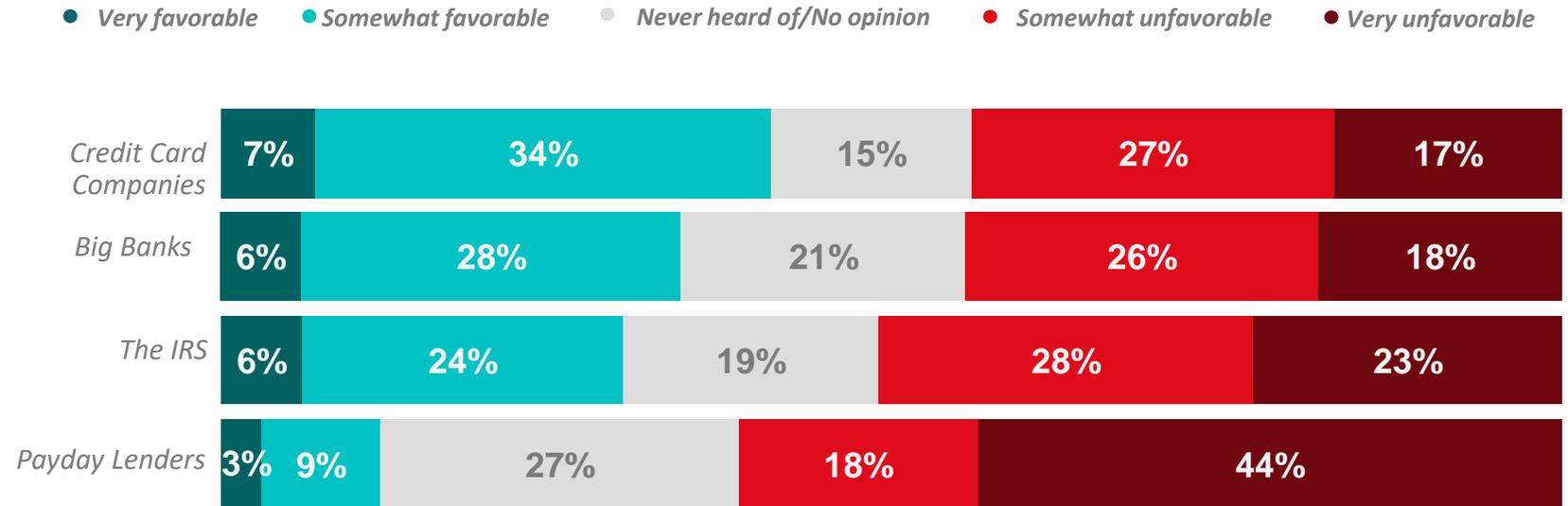
## Rate Cap Proposal

*Q: As you may know, the annual interest rate with fees for consumer installment loans can range from below 10% to well over 100%. Would you support or oppose a proposal to put a cap on the interest rates of these loans at no more than 36% annual interest?*

\* Nationally, of the registered voters who said they oppose a rate cap of 36% annual interest for payday loans, 62% said they opposed because 36% interest was too high.

## A MAJORITY OF VOTERS HAVE AN UNFAVORABLE IMPRESSION OF PAYDAY LENDERS

62% of registered voters report they have an unfavorable impression of payday lenders. 44% report they have a very unfavorable view of them. Payday lenders lag behind the IRS in terms of favorability.



Q: Do you have a favorable or unfavorable impression of the following: credit card companies, big banks, the IRS, and payday lenders?

## Impression of Payday Lenders

