



**Statement from
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***The Impact of “Pay Day” Loans:
usury laws proposed through ballot measures***

As our country approaches Election Day 2016, it is important for us to reflect on our responsibility to be both faithful Catholics and good citizens. We are called to exercise our civic duty by voting while doing so with informed consciences based on the teachings of Christ reflected over time in the Church He instituted.

In preparation for this election, I encourage all Catholics to review *Forming Consciences and Faithful Citizenship*, a resource developed by the bishops of the United States which provides instruction on how we as Catholics might approach social, political and legal issues in the context of Church teaching. *Forming Consciences* identifies the hierarchy of moral principles that ought to guide our election choices, beginning with respect for all life from conception through natural death.

The Church does not endorse candidates or associate herself with political parties. Catholic moral and social teachings do not fit any one party platform or any candidate’s positions. Of special importance to me when approaching political issues and election dynamics is to make clear that the Church is not simply another special interest group: one among many with a short term political agenda. The role of the Church is to continue the mission and ministry of Jesus Christ and to encourage the salvation of souls.

In addition to the candidates seeking election at the national-, state- and local-levels, here in South Dakota there are ten ballot measures which voters have been asked to approve or disapprove. It is important that as good citizens we inform ourselves on the substance of each of them. They relate to policies and regulations which are matters of prudential judgment on which people of good will might disagree. As with candidates, the Church does not advise on how to vote on issues such as these.

There is one issue reflected in these ballot propositions that ought to be of special consideration based on the call of Jesus to care about and defend the poor among us. This concern is reflected in two competing propositions seeking to address so-called “pay day” loans. These propositions are confusing to most of us but they raise a legitimate concern.

The fact is too many in our communities face periodic financial challenges, even crises, for which immediate conventional financial assistance is lacking. In order to pay current bills, and provide for themselves and their families, individuals seek out short-term loans. We are grateful for those who provide the opportunity for such relief when it is offered in just, transparent and respectful ways. Sadly we have learned that for some, when requesting these initial loans must agree to terms which add to their credit burden and dependency. This reality has resulted in the two ballot measures we are asked to consider: Amendment U and Initiated Measure 21.

While persons are free to enter into any contract voluntarily, these loans ought to assess practical and realistic rates the details of which ought to be clearly understood by the borrowers so that necessary short-term relief is provided without compromising the opportunity for financial independence. Loan recipients deserve to be informed of the practical reality of the risk and longer-term ramifications such loans assume for both the borrower and the lender. For example, in some circumstances I have been informed that the opportunity to prepay loans has been denied resulting in an almost forced dependency and inhibiting the financial independence of those who need immediate assistance but seek to move beyond it.

This complicated moral and financial challenge ought to be of concern to all of us who care about our brothers and sisters who, while facing financial challenges, need to provide for basic necessities.

Regardless of the result of the conflicting and complicated ballot propositions in this election, government and private sector together should reflect upon ways in which the legitimate needs of those with financial challenges can be addressed through the incorporation of just interest rates, prudent and understandable terms, and accompanying assistance of financial counseling.

Let us prayerfully consider the choices we must make in this election. Our faithful citizenship does not end after Election Day, nor do our baptismal responsibilities to reach out to our brothers and sisters in need.

In these last days before the election may our Lady, Mother of life and of mercy, watch over our divided yet blessed nation.