

Payday lenders draw lawmakers' attention

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390 percent but that would only happen if someone took out a loan for \$100 26 times every two weeks. It's very seldom that happens."

The Senate bill authorizing payday lending stores to operate in North Carolina expired in 2001, but nearly 400 stores continue operation through their affiliation with out-of-state banks.

"The state Legislature did the right thing in allowing the sunset of laws that previously authorized payday lending," said Phil Greer, senior vice-president of loan administration for the State Employees Credit Union. "I believe the state's intent at that point was to free the citizens of North Carolina from the abusive practices of payday lending. Unfortunately, these companies continue to operate by using their partnerships with national banks. I

think it's a travesty that they can use this loophole to abuse the citizens of N.C."

If passed into law, SB947 would place stricter regulations on payday lenders. The bill states that borrowers would not be legally allowed to take out more than one loan at a time. It places a limit on the maximum loan being 25 percent of monthly gross revenue or \$500, whichever is less. And it places stricter regulations on collection activities for military members.

Sen. Larry Shaw (D-Cumberland), a co-sponsor of the bill, said that since payday lending isn't going to go away it might as well be regulated.

"Some members of the Senate thought 'We'll just let it expire,' and they could pack up and go home. Well, it expired and people came back and got bigger and better at what they're doing," he said.

"It's an embarrassment to the state that we allow this activity to go unchecked and that is why I support this bill."

The primary sponsor, Sen. David Hoyle (D-Gaston), said opponents basically have their head in the clouds and need to wake up.

"Thirty-six states have passed laws to regulate this industry, but here we have too many hot column do-gooders who do not want to deal with the real world that payday lending is here and it's not going anywhere," he said.

But Greer says the bill would only make things worse.

"I think our state Legislature missed the boat as far as SB947," he said. "I don't think it will do anything to end the abuse of our citizens by payday lending com-

panies. In fact, it will increase the abuse by adding to the proliferation of payday lending companies."

Green, who is president of the N.C. Check Cashers Association, said "Some people who oppose the bill feel that if you authorize these stores they will pop up on every street corner - so what. What's wrong with creating jobs and revenue in North Carolina?"

A 2003 study by the Center for Responsible Lending, a Durham consumer group affiliated with the Self-Help Credit Union, found that 91 percent of borrowers had five loans or more and only 1 percent had one loan.

"People may think it's an easy way to get quick cash, but most of the time they end up doing repeat transactions,

which can lead to a long-term debt situation," CRL president Yolanda McGill said. "That's the dirty secret. Nine out of 10 people won't be able to just pay that loan out and walk away in two weeks."

Payday lenders have also faced strong opposition from civil rights groups. "We believe that they target black people and trap them in a cycle of debt that is difficult to escape. It's the worst kind of predatory lending," NAACP Chairman Julian Bond said.

According to a recent CRL report, African-American neighborhoods have three times as many payday lending stores per capita as white neighborhoods. But an FDIC study contradicted the CRL report a week later stating: "Despite allegations to the contrary, we didn't find evi-

dence that payday advance stores tend to locate in minority neighborhoods."

The CRL also argues that payday lending stores target low income and military families, and elderly people who are more likely to be financially strapped. But Green, who owns and operates several payday lending and check cashing stores, denies this.

"The poor, minority, military and elderly don't need to be used like pawns to get a point across," he said. "If we stop doing business with them, we would survive because they are not our largest customer base, but we have to provide our service to everyone. If we don't give them our service, they may turn around and sue for civil rights discrimination."

Caucus to visit Mississippi, N.C.

THE ASSOCIATED PRESS

JACKSON, Miss. — About a dozen members of the Congressional Black Caucus are scheduled to be in Jackson and the Delta this week to discuss health care, education, retirement, affordable housing and other issues facing their constituents.

The lawmakers come from several Southern states and are being hosted in Mississippi by U.S. Rep. Bennie Thompson.



Watt

"This is our opportunity to take the Congressional Black Caucus agenda out of Washington and into the public at large," Thompson, D-Miss., said during a conference call this past week.

The caucus chairman, Rep. Mel Watt, D-N.C., said the group wants to eliminate unequal treatment minorities receive in many parts of life. He said as the caucus develops policy proposals, it will help to "start in Mississippi, where the needs are so great."

Thompson next year will face probably his most established Democratic primary challenger since he went to Washington in 1993. State Rep. Chuck Espy of Clarksdale — nephew of Thompson's predecessor in Congress, Mike Espy — is already campaigning in the district that stretches through the Delta into parts of Jackson and down to Jefferson County in southwest Mississippi.

Butterfield

During a conference call to promote the tour, Congressional Black Caucus members praised Thompson but said issues — not politics — prompted their trip to his district.

"This is not a response to anything political that is taking place in Mississippi," said Rep. G.K. Butterfield, D-N.C.

Rep. John Lewis, D-Ga., has known Thompson for more than two decades, and said Thompson "has been just an unbelievably effective political leader."

As for the trip to Mississippi, Lewis said: "We're not doing it for political reasons. We're doing it because it's the right thing to do."

A town-hall meeting is set from 5:30-8:30 p.m. Tuesday at Jackson State University's e-center.

On Wednesday, the congressional delegation was scheduled to go to Yazoo City for the groundbreaking of a community health center and to Belzoni to tour a hospital. They'll also tour a housing development in Greenwood and attend a 5:30-8:30 p.m. town hall meeting at the Greenwood-Leflore County Civic Center.

"I think we can not only bring about a sense of hope, but we can learn a great deal," Lewis said.

On Aug. 19, caucus members plan to be in Charlotte to hold a meeting about education.

One of first black UNC graduates dies at 81

THE ASSOCIATED PRESS

KINSTON — Harvey E. Beech, one of the first black graduates from UNC Chapel Hill has died at the age of 81.

Beech, who died Sunday after an extended illness, was one of five black students admitted to the university's law school in 1951 after a lengthy court battle. He was a student at Durham's North Carolina School for Negroes — now North Carolina Central University — when Thurgood Marshall asked him to join a case against UNC-Chapel Hill.

Marshall, who eventually became the first black justice on the U.S. Supreme Court, challenged the separate-but-equal status of the law school. The case won admission for Beech and four others in a decision from the U.S. Court of Appeals.

Beech and J. Kenneth Lee became the first black graduates from the university the next year. Three years later, the school admitted its first black undergraduates.

Still, Beech talked about the tough times he endured while at the law school.

"He wasn't always treated as well and with as much respect from his fellow students as he should have been," said David Brown, senior associate editor of publications for the school's General Alumni Association. "He spoke very openly about it in recent years."

George Graham, a friend and chairman of the Lenoir County Board of Commissioners, said it was a "struggle" for Beech.

"All through it, he stood up for what was right, what is decent and what was — and is — in the best interest of all people," he said.

The Kinston native practiced law for 40 years, serving on the university's Board of Visitors and the Board of Directors for the UNC Law School Alumni Association. Last November, the school honored Beech with the William Richardson Davie Award for extraordinary service to the school or to society.

A memorial service was scheduled for Wednesday, with the funeral set for today.

They came home to bury mom ...and her killer



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