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Faith groups plan for loan reform campaign

Zoe Ryan | Apr. 27, 2012

Supporters of Communities Creating Opportunity's campaign to lower the rate for pay day loans in Missouri pose at the event at St. Mark Hope and Peace Lutheran Church in Kansas City, Mo., April 26. (NCR photo/Robyn Haas)

KANSAS CITY, Mo. -- As part of a nation-wide economic campaign, Kansas City-area religious groups last night celebrated accomplishments and mapped out the next steps in their effort to reform predatory lending and the minimum wage in Missouri.

The celebration at St. Mark Hope and Peace Lutheran Church, hosted by Communities Creating Opportunity (CCO), was one of a handful of economic-themed gatherings happening in states across the nation in late April and early May, as a part of the PICO National Network, a faith-based community organizing group. CCO is the Kansas City affiliate of PICO.

Religious congregations and CCO have been collecting signatures for a petition on the November ballot in Missouri to cap interest rates at short-term loan lenders and to raise the minimum wage.

"We've accomplished a lot, and I thank God for that," said Rev. Lloyd Fields, pastor of Greater Gilgal Missionary Baptist Church. "God's people are required to do justice, and we've done that."

The goal of congregations and CCO is to cap the rate at 36 percent. They also are looking to raise the minimum wage in Missouri from $7.25 to $8.25.

Missouri has a number of businesses dealing in short-term loans, also known as payday loans. In Missouri, the average annual interest rate is 445 percent, and CCO argues that this rate is detrimental to people because they can quickly fall into debt and become entrapped in the short-term loan market.

Short-term loan officials have argued that capping the interest rate as low as 36 percent is not a sustainable business model and that looking at an annual rate is misleading because loans are not issued on an annual basis.

At the event, congregations and individuals were recognized for their work on gathering signatures for a petition

to cap the rate. About 100 different congregations of different denominations in the Kansas City metro area are helping CCO's campaign. To date, the petition has 38,876 signatures. To get on the ballot in November, the petition needs 90,000 signatures per issue (statewide).

CCO is working in conjunction with a coalition of other nonprofits across the state, and each group made a commitment of obtaining a certain number of signatures, said CCO program manager Megan Black.

Valerie Schroer, a long-time parishioner at St. Peter's Catholic Church in Kansas City, said she joined the campaign after seeing many "poverty businesses" open in her neighborhood, including a gun pawn shop which she and others could not stop from opening.

Schroer lives near Troost Avenue, a street with short-term loan businesses and many empty storefronts. Efforts to revitalize the street are ongoing.

Fr. David Altschul, an Eastern Orthodox priest whose parish, St. Mary of Egypt Orthodox church, is on Troost, told the crowd that in his many years at St. Mary, he's seen a "systematic wealth drain and subsequent disinvestment in the people of my community" as a result of predatory lending.

Troost has been a racial dividing line in the city, but this campaign has united people as a community, Schroer said. Her pastor challenged parishioners to reach out to others and unite as communities.

As a person of faith, it's not so much what we're doing but who we're doing it with, said Schroer, who received an honor during the ceremony for her work

"In an historic moment, we have set aside denominational and theological differences, and have come together as one community of faith," said Rev. Susan McCann, rector at Grace Episcopal Church in Liberty, Mo.

"With God's dream of respect for worth and the dignity of all persons, we have worked as one people, with one voice, one vision, to bend the arc toward justice, gathering thousands of signatures to help deliver people from economic bondage and to restore economic dignity for all the people of Missouri."

Recent PICO affiliate events regarding economic and other issues also occurred or are schedule to occur in California, Colorado, Florida, Louisiana, Michigan, Minnesota, Missouri, New Mexico, Nevada and Ohio.

PICO is also running a "Land of Opportunity" campaign, in which PICO faith leaders will attempt to reach out to under-represented communities and register 75,000 new voters so that by November, they will have contacted 1,000,000 religious voters, according to a news release.

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Editor's note: For more photos from the Kansas City event, see the slideshow below of photos taken by *NCR*'s Robyn Haas.

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