

Missouri Public Service Commission
P.O. Box 360
Jefferson City, MO 65102-0360
Attention: Natelle Dietrich
Director of utility Operations

Re: CASE AW-2014-0329

Dear Ms. Dietrich:

I am writing on behalf of Women's Voices Raised for Social Justice. Our organization's mission is to educate ourselves and the larger community about critical issues and to advocate for policy solutions and practices that reflect our values of social justice. We support the proposed rule regarding CASE AW-2014-0329. The Public Service Commission should act to prevent any formal or informal relationship between utility companies and payday lenders..

We believe that predatory lending practices are a tremendous problem in Missouri, particularly for low-income families. Missouri lacks effective oversight of the payday loan industry, allowing them to charge triple digit interest rates that trap families into a spiral of debt.

Gas and electric utilities are a basic need of every family. Allowing utility companies to invite consumers to use payday lender sites for their utility payments gives predatory lenders a marketing advantage and an implicit stamp of approval. An ample supply of other convenient payment locations is available in communities. Formal and informal ties of utility companies to the payday lending industry should be severed.

Both anecdotal and solid research (for example, Brian Melzer in the *Quarterly Journal of Economics*, 2011) indicate that access to payday loans increases households' difficulty in paying mortgage, rent and utility bills. My experience as a social worker with low income families is consistent with that research.

We urge the Missouri Public Service Commission to act to sever any relationship that exists between utility companies and payday lenders and to prevent any future relationship.

Sincerely,

Ruth Ehresman
Vice-President, Women's Voices Raised for Social Justice
314.504.3616