



7755 Montgomery Road
Suite 400
Cincinnati, OH 45236

October 2, 2019

The Honorable Diana Farrington
Michigan House of Representatives
N-794 House Office Building
Lansing, MI 48933

RE: HB 4251 – OPPOSE

Dear Representative Farrington:

On behalf of our employees, our customers, and the services we provide at Check 'n Go of Michigan, I write to express our opposition to House Bill 4251. We have been serving Michigan for over two decades, we operate 123 retail locations, employ over 200 Michiganders and serve tens of thousands of consumers every year. This bill imposes two mandates that will:

- Lead to the demise of the state-regulated industry;
- The loss of thousands of jobs for our employees and health care benefits for their families;
- The loss of hundreds of contracts with small businesses providing goods and services;
- And, most importantly, the mandates don't benefit the actual consumer. The two mandates actually make it *harder* on consumers.

For these reasons, we oppose the bill and can explain in greater detail why we oppose these changes.

Mandate #1 – 30-day cooling off period between transactions.

This mandate prohibits a successful (and presumably satisfied) customer after completing the transaction from entering into another transaction for at least 30 days.

What is the benefit to this government ban? There is none. If a customer needs our service, this mandate requires denial by government fiat and without consideration of the credit-worthiness of the customer.

Mandate #2 – Debt-to-Income Restrictions

This mandate prohibits a customer from using our service if the payment causes the customer to have a debt-to-income ratio of 41%.

Assessing an applicant's ability to repay is one of the most important functions undertaken by lenders but lenders don't really need help from the government as to how we do it.

We assess the risk, we assume the risk, and we live with that decision. No one wins when the customer defaults.

But this mandate is so restrictive, only the rich and wealthy would qualify, but as we know, the rich and wealthy have other alternatives that most others do not. This mandate denies those who aren't rich and wealthy a convenient and regulated option for credit.

Conclusion

We are proud of our 20-plus years employing Michiganders and servicing customers. Michigan has a broad and prescriptive regulatory framework that HB4251 threatens in its entirety.

The amendments are not benign. The amendments are not helpful for borrowers. The amendments are not helpful for state government, our employees, or our company. Please oppose House Bill 4251.

We look forward to working with you and your staff to ensure that Michiganders can build their credit without taking away their options.

Sincerely,

John Rabenold, Vice President
Axxcess Financial Services, Inc.
Check 'n Go of Michigan, Inc.

cc: Members, House Financial Services Committee