# Brandon L. Mays President / Chief Financial Officer Atlas Credit Company, Inc. Tyler, Texas

Proponent testifying virtually on SB 218

Chairman Longbine and members of the committee, I'm Brandon Mays and I'm pleased to testify as a proponent of SB 218.

If SB 218 were to be signed into law, our company stands ready to immediately apply for licensing and open between 8 to 10 stores in the state as well as an online presence.

Our company would commit would bring no less than \$500,000 in an initial capital investment to the state. This would bring rental income to Kansas commercial real estate owners, provide job opportunities to Kansans and provide an affordable credit option to all Kansas residents.

# SECURING FINANCIAL FUTURES

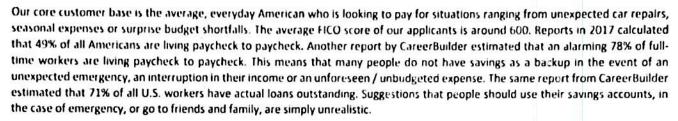
# HOW RESPONSIBLE LENDING WORKS AT ATLAS CREDIT

### A LONG HISTORY OF SUCCESS

Atlas Credit has been family owned and operated since we opened in 1968. Now, with our nearly 200 employees, we continue to serve the communities surrounding our numerous locations across multiple states. As a company, our existing and future customers represent our most valuable resource. Our mission is to treat every customer with honesty and respect while providing top of the-line customer service that you won't find anywhere else. Having serviced over 2,500,000 customers, Atlas Credit's philosophy balances business success and responsible lending while providing affordable access to credit to underserved communities.

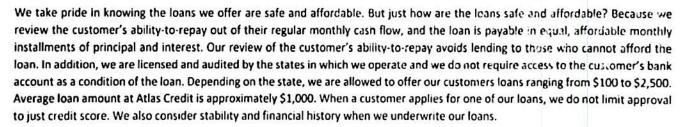
## OUR CUSTOMER:

- 49% of all Americans are living paycheck to paycheck
- 71% of all U.S. workers have actual loans outstanding



### **OUR PRODUCT:**

- Loans range from \$100 to \$2,500 depending upon the state's regulation
- Average loan is between \$900 to \$1,000 with an average APR of 91%
- We review the customer's ability to repay to ensure affordability



### **OUR DIFFERENCE:**

- Installment loans are reported to the credit bureaus
- · Repayments are affordable, equal amounts made up of principle and interest
- We review the customer's ability to repay to ensure affordability

Very simply, <u>payday companies do not test the ability to repay</u> the loan from cash flow, relying instead on a post-dated check or access to the borrower's bank account as a source of repayment. The loans are typically of two weeks or one month's duration, and are payable in one lump sum, comprising the principal, interest and fees (known as a "balloon payment). Balloon payments are widely considered to be responsible for creating "cycle-of-debt" situations, in which borrowers who cannot make the payment have no choice but to refinance their loans. Credit data on these loans is also not accepted by any major credit bureau.

By contrast, <u>Installment lenders do test the ability to repay</u>, and the loans are payable in equal installments of principal and interest, giving the borrower a clear and manageable roadmap out of debt. The payments for installment loans are also spread out over the course of several months instead of just a few weeks with payday loans. Installment loans are reported to the credit bureaus, enabling responsible borrowers to build or repair their credit.

Installment lending has been around for decades, and has a long history of well-regulated provision of safe and affordable credit in a form it retains to this day. After state and federal regulators and lawmakers began to take aim at the payday industry, some payday companies began to pass some of their products off as installment loans, or "payday installment loans", a process known as "morphing". These loans might include some, but by no means all, of the features of a traditional installment loan and generally charged much higher rates.





