In defense of payday loans

I am pleased that Loren Steffy included insight from Professor David Hawkins that acknowledged the value of payday lending in “Payday lending measures are weaklings” (Page D1, June 3). However, Steffy’s implication that our customers do not fully understand the terms of a payday advance is incorrect.

My company is committed to responsible lending and to helping consumers be successful borrowers. All of our centers provide customers with materials that clearly display the one-time fee for an advance as both a dollar amount and an implied annual percentage rate, and fully disclose all other terms. We do this not only because it is right, but also because our customers’ successful repayment is essential to our business. In fact, about 97 percent of our customers repay their advances.

Customers understand their obligations and choose a payday advance over other credit options because it best suits their personal and financial needs. They use our service to help manage periodic shortfalls and to avoid the substantial costs of credit card late fees, overdraft fees and damage to their credit scores.

We understand that payday advances are not right for all consumers. But when they do choose our service, we strive to ensure that they understand all details of their transaction.

— Jamie Fulmer, vice president/public affairs, Advance America, Cash Advance Centers, Spartanburg, S.C.