



**FOR IMMEDIATE RELEASE:**

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**\*\*\* PRESS RELEASE \*\*\***

**MAYOR NEWSOM AND TREASURER JOSÉ CISNEROS ANNOUNCE  
RESPONSIBLE PAYDAY LENDING PROGRAM FOR SAN  
FRANCISCANS**

*Six San Francisco Credit Unions to offer maximum 18% APR payday loans in comparison to 400% APR offered by for-profit payday lenders*

**San Francisco, CA**— Mayor Gavin Newsom and Treasurer José Cisneros today announced the launch of Payday Plus SF, an alternative payday loan offered by six San Francisco Credit Unions that will provide responsible small dollar loans of up to \$500, with low interest rates, financial counseling, and an extended repayment term. The program is designed to help San Franciscans avoid high-interest rate payday loans that often trap borrowers in a cycle of debt.

For-profit payday lenders may charge annual interest rates of over 400%, and the industry relies for 90 percent of their revenue on borrowers who repeatedly renew or re-open their payday loans. As a result, the typical borrower usually pays around \$500 in interest for a \$300 loan, and still owes the principal, according to the Center for Responsible Lending.

“Payday Plus SF is designed to promote healthy financial practices,” said Mayor Gavin Newsom. “It is the latest in a series of successful financial empowerment programs spearheaded by Treasurer José Cisneros, and following upon the great work of Bank on San Francisco. Programs like these are what make San Francisco a national leader in the field of financial empowerment.”

Key elements of the payday loans offered through Payday Plus SF include:

- A non-predatory rate: A short-term loan of up to \$500 with a maximum APR of 18%.
- Improved credit: The ability to build credit as the loan is repaid over a period of up to 12 months.
- Reduced debt: The ability to escape debt by paying off payday loans and consolidating other debts.
- Access to healthy financial partners: Credit Unions are non-profits with a wide array of healthy financial products and a commitment to working closely with their members.
- Responsibility: Limit of 3 loans per year. Financial education may be required. Loan must be paid in full before another advance.

“Our credit union partners show real commitment to the community by stepping up to offer this product,” said Treasurer Cisneros. “It is dramatically better than traditional payday loans, which come with interest rates above 400% APR and trap lenders in a debt cycle. I applaud our credit unions for working with the City to show that lending can be done responsibly.”



The six credit union members of the Bank On San Francisco program worked with the Office of the Treasurer to design Payday Plus SF, and will be offering the product at 13 credit union locations across San Francisco.

“The participating San Francisco area credit unions have partnered with the City of San Francisco in developing an alternative to the high costs of payday lending to support those in need in our community,” said Steven Stapp, President and CEO of San Francisco Federal Credit Union.

The official announcement of Payday Plus SF was followed by a panel discussion attended by more than 100 community leaders and hosted by the New America Foundation, a nonprofit nonpartisan policy institute.

“Too many San Franciscans turn to payday loans as a short-term solution and end up instead in a long-term debt trap,” said Anne Stuhldreher, Senior Fellow at the New America Foundation. “There are now more payday lending establishments in California than McDonalds and Starbucks combined. We need financial institutions to step up with better products, like PayDay Plus SF, and policymakers should enact more robust consumer protections.”

Payday Plus SF will be offered at the following credit unions:

- Mission SF Federal Credit Union  
(415) 431-2268  
3269 Mission Street
- Northeast Community Federal Credit Union  
(415) 434-0738  
683 Clay Street  
288 Jones Street  
29 Leland Avenue
- Patelco Credit Union  
(415) 442-6200  
156 2nd Street  
1405 Noriega Street  
65 Southgate Avenue (Daly City)
- Redwood Credit Union  
(800) 479-7928  
100 Van Ness Avenue  
241 California Street
- San Francisco Federal Credit Union  
(800) 852-7598  
770 Golden Gate Avenue  
4375 Geary Boulevard  
2645 Ocean Avenue
- Spectrum Federal Credit Union  
(800) 782-8782  
50 Beale Street

In addition, interested customers can call the United Way’s helpline at 2-1-1 and ask for Payday Plus SF to be connected to a nearby participating credit union.

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