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Interest Rate Caps, State Legislation, and Public Opinion: Does the Law Reflect the Public's Desires?

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INTEREST RATE CAPS, STATE LEGISLATION, AND PUBLIC OPINION: DOES THE LAW REFLECT THE PUBLIC'S DESIRES?

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Are consumers aware of the law on interest rate caps? Do consumers support interest rate caps in general or in the context of specific types of loans? Do consumers know that it is legal to charge 400% or more per annum for a loan in some states? If they do know that such rates are legal in some states, do they find these rates acceptable or problematic? We recently sought answers to these and related questions through a public opinion poll in the state of New Mexico, a poor, primarily Democratic state.[1] Because New Mexico has one of the highest consumer usage rates and highest concentrations of payday and title loan shops in the nation,[2] we thought it would be an ideal place to measure the public's knowledge of and interest in these ubiquitous loans.[3] We also measured knowledge of interest rate caps in the context of credit cards, as a point of comparison.

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1. *State and County Quick Facts*, UNITED STATES CENSUS BUREAU, http://quickfacts.census.gov/qfd/states/35000.html (last visited on September 13, 2013) (showing a poverty rate of 19% compared to a national average of 14.3%); David Weigel*, How the Democrats Won New Mexico: How did President Obama take New Mexico off the "swing state" map?,* SLATE.COM (Oct. 9, 2012), http://www.slate.com/articles/news_and_politics/politics/2012/10/new_mexico_has_become_a_safe_democratic_state_because_of_a_growing_hispanic_population_native_americans_and_bad_republican_talking_points_.html (reporting that New Mexico is now a safely democratic state and that ethnically, it is 46.7 percent Hispanic and 10.1 percent Native American).

2. McKernan, S., C. Ratcliffe, and D. Kuehn, *Prohibitions, price caps, and disclosures: A look at state policies and alternative financial product use.* Washington, D.C.: THE URBAN INSTITUTE, (Nov. 2010). These authors found that in New Mexico, the usage rate of payday loans was 15%, compared to 10% nationally, and that the usage rate for title loans was10% compared to 6% nationally. *Id.*

3. Author Nathalie Martin regularly speaks to the public about payday and title loans, both in and outside New Mexico. Understandably, people who live in states in which high-cost loans are illegal, or in any case, less prevalent often express surprise when they learn that it is legal in some states to change 1,000% or more for consumer credit. What is alarming is that even people within New Mexico seem to have little knowledge that this lending is taking place. One highly educated 50-year old woman who was participating in a governor's financial literacy Summit with Professor Martin in 2011 expressed disgust at the rates charged by pawnshops, which are capped at 48%. More recently, at a 2012, meeting of the Consumer Financial Protection Bureau held with leaders in Indian Country in New

Our data are consistent with that of previous studies showing that the general public overwhelmingly supports interest rate caps both in general and for certain types of loans. More uniquely, we also found that many consumers are unaware that there are no interest rate caps on many forms of consumer loans. These data are useful in explaining why consumers do not do more to change the law on interest rate caps.

Given that payday loans and other high-interest credit products are typically regulated through state statutes, these data raise fundamental questions about the efficacy of state legislation in regulating high-cost credit. More specifically, in situations in which there seems to be little to no political will among politicians to impose interest rate caps, does it matter that a majority of the general public believes there *should be* interest rate caps? Do these data suggest the need for more public education about the law and the legislative process, or is it simply a call for federal interest rate caps? Here, we report on these data, but do not attempt to answer these questions.

1. THE LAW AND POLITICS OF INTEREST RATE CAPS

A. The Law of Interest Rate Caps

There currently is no federal law regulating interest rates on consumer loans, although the Truth in Lending Act,[4] the Electronic Fund Transfer Act,[5] and other general federal laws apply to consumer lending. The issue of capping or limiting interest rates is thus left in the hands of state legislatures. In some parts of the country, primarily eastern seaboard states, state law sometimes caps the amount of interest and fees a lender can charge a borrower for any type of consumer loan in a way that is, as Professor Christopher Petersen describes it, undiluted and trim.[6] If the cap is 18%, no lender can charge more than 18% for a loan of any kind, including fees, no exceptions.

In most of the country, however, undiluted and trim interest rate caps are rare indeed. More specifically, eighteen states plus the District of Columbia either forbid payday lending or cap interest rates in a fashion that

Mexico, a high level official said he knew the loans were expensive but did not see how they could be 400%. This is because the loans are advertised in terms of costs per two-week (for example, $15 per $100 borrowed) period or even per day ($2.00 per day, less than a coffee).

4. Truth in Lending Act, 15 U.S.C. §§ 1601–1667f (2006).

5. Electronic Funds Transfer Act, 15 U.S.C. §§ 1693–1693r (2006).

6. Christopher Petersen, *Usury Law, Payday Loans, Statutory Sleight of Hand: Salience Distortion in American Credit Pricing Limits*, 92 MINN. L. REV. 1110, 1117 (2008).

makes lending undesirable for lenders.[7] The states that ban or cap payday loans at 36% or less are Arizona, Arkansas, Colorado, Connecticut, District of Columbia, Georgia, Maine, Maryland, Massachusetts, Montana, New Hampshire, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Vermont, and West Virginia.[8]

B. The Politics of Interest Rate Caps

The politics of interest rate caps are sometimes counterintuitive. While one would think that Democratic states would be more likely to cap interest on consumer loans, given that Republican governments tend to eschew regulation that is not the case. Democratic states are no more likely to have interest rate caps than Republican ones. Of the states that *do* cap interest, four are swing states, ten are blue states, and ten are red states.[9] In the blue state in which this study was completed, New Mexico,[10] there has been a deep and abiding resistance to imposing interest rate caps on loans of any kind.[11] Conversely, the red states of Montana and Arizona[12] recently

7. CORPORATION FOR ENTERPRISE DEVELOPMENT, PROTECTIONS FROM PREDATORY SHORT-TERM LOANS 2 (2012), *available at* http://cfed.org/assets/scorecard/2013/rg_PredatoryLending_2013.pdf; *See also Payday Lending Statutes*, NATIONAL CONFERENCE OF STATE LEGISLATURES, http://www.ncsl.org/issues-research/banking/payday-lending-state-statutes.aspx (last updated Sept. 12, 2013).

8. CORPORATION FOR ENTERPRISE DEVELOPMENT, *supra* note 7; *See also Payday Lending Statutes*, *supra* note 7.

9. *Red and Blue States Map (Average Margins of Presidential Victory)*, WIKIMEDIA COMMONS, http://commons.wikimedia.org/wiki/File:Red_and_Blue_States_Map_(Average_Margins_of_Presidential_Victory).svg (last modified Feb. 16, 2013).

10. *Id.*

11. Payday lenders began appearing in New Mexico after the state repealed its General Usury statute (former N.M. STAT. ANN. § 56-8-11-1) in 1991. Prior to the summer of 2007, New Mexico was one of only two states that had no regulation of payday lending. Alexander Bartik et al., *Regulating Predatory Payday Lending: A State-by-State Analysis*, ROOSEVELT INST. AT YALE CTR. ON ECON. POL'Y (2007), *available at* https://www.efis.psc.mo.gov/mpsc/commoncomponents/viewdocument.asp?DocId=935476227, (last visited September 13, 2013). The other state is Wisconsin, which still has no payday lending regulation. For five very long and frustrating years, the New Mexico Legislature debated various payday-lending statutes.

Finally, during the legislative session of 2007, the New Mexico State Legislature adopted a set of changes to the New Mexico Small Loan Act of 1955 intended to address payday lending in New Mexico. These regulations went into effect in July 2007. The new law capped interest and fees at $15 per $100, which results in an effective interest rate of 390% or higher, but the new law applied only to lenders engaged in the business of lending amounts of $2,500.00 or less, and defined a loan covered by the Act as one of 14 to 35 days in duration, for which the consumer gives the lender a check or debit authorization for the amount of the loan plus interest and fees. N.M. STAT. ANN. § 58-15-3(A) (West 2013). In the end, this narrow definition gutted the legislation. The industry quickly switched to loan products that fall outside the statute, namely longer loans or those not involving a post-dated check. None of the new loans (typically called "installment loans") are regulated at all in the state. Thus, the state spent several years attempting to regulate payday lending but the resulting law has done nothing to change short-term lending or high interest rates.

12. *Arizona Payday Loan Reform, Proposition 200 (2008)*, BALLOTPEDIA, http://ballotpedia.org/wiki/index.php/Arizona_Payday_Loan_Reform,_Proposition_200_(2008) (last modified May 28, 2012)

kicked payday lenders out of their states, because, as a Montana ballot campaign explained, "400% is too much."[13]

C. A Look into the Loan Products in States without Caps

One might wonder what loans and lending practices look like in states in which interest rates are generally not capped. How high are the rates at which consumers borrow? Who uses high-cost loans? Even assuming that most borrowers are low-income borrowers with poor credit histories and thus few other lending options,[14] do rates respond to market forces and drop when more lenders enter a market? At least as to this last question, the answer seems to be no. Thus far, market forces have had little to no effect on interest rates for most high-cost loans.[15] Indeed, despite that high-cost lending is the fastest growing segment of the consumer lending business,[16]

(voters in Arizona defeated a payday sponsored ballot initiative, mandating an end to state statutes that allow 400% interest rates); *Montana Loan Interest Rate Limit, I-164 (2010)*, BALLOTPEDIA, http://ballotpedia.org/wiki/index.php/Montana_Loan_Interest_Rate_Limit,_I-164_(2010) (last modified July 6, 2012).

13. Celinda Lake & Joshua Ulibarri, *Results of a Statewide Survey on a Montana Ballot Initiative to Cap Interest Rates of Predatory Lenders,* LAKE RESEARCH PARTNERS (January 2010), http://www.consumerfed.org/pdfs/Publicmemo-MT-Payday.pdf; *Payday Lenders Less Popular than Liquor Stores*, CTR. FOR RESPONSIBLE LENDING (Feb. 23, 2011), http://www.responsiblelending.org/media-center/press-releases/archives/Payday-lenders-less-popular-than-liquor-stores-majority-of-voters-would-support-moratorium-according-to-San-Jos%C3%A9-poll.html#; *Poll Shows Support for Capping Payday Loan Rates and Fees*, THE VINDICATOR (January 25, 2013), http://www.thevindicator.com/news/article_2d0406f0-6714-11e2-997e-0019bb2963f4.html; *Montana Loan Interest Rate Limit*, BALLOTPEDIA, *supra* note 12 (reporting that nearly 72% of Montana voters voted to cap interest rates on payday and auto title loans at 36% APR); *Ohio Payday Lender Interest rate Cap, Issue 5 (2008)*, BALLOTPEDIA, http://ballotpedia.org/wiki/index.php/Ohio_Payday_Lender_ Interest_Rate_Cap,_Issue_5_(2008) (last modified Aug. 8, 2013).

14. This assumption may be wholly incorrect, but this is clearly what lenders say to justify their products and existence. *See* Karen E. Francis, *Rollover, Rollover: A Behavioral Law and Economics Analysis of the Payday-Loan Industry*, 88 TEX. L. REV. 611, 617 (2010) ("No matter which studies most accurately describe the loan-market participants, clearly payday borrowers are low-to-moderate-income individuals, many of whom have alternative credit sources or easily accessible cash.").

15. At least with respect to payday loans, increased numbers of lenders has not driven down prices. *See* Michael A. Garemko III, Note, *Texas's New Payday Lending Regulations: Effective Debiasing Entails More Than the Right Message*, 17 TEX. J. C. L. & C. R. 211, 219-20 (2012); Nathalie Martin, *1,000% Interest—Good While Supplies Last: A Study of Payday Loan Practices and Solutions*, 52 ARIZ. L. REV. 563, 614 (2010) (stating, "The payday lending and other short-term lending industries are classic failed markets. The industry is young, having developed primarily in the 1990s. Thus, price competition is not yet necessary to create a strong market share. Rather, most lenders charge similar amounts for the same loan, typically the largest amount permitted by law."). Title loans may be somewhat different, however. Professor Jim Hawkins has found that that lenders compete on price at some level at least in Texas*. See* Jim Hawkins, *Credit on Wheels: The Law and Business of Auto Title Lending*, 69 WASH. & LEE L. REV. 535, 558-59 (2012).

16. *2011 Underbanked Market Sizing Study*, CTR. FOR FIN. SERVS. INNOVATION, Nov. 2012, at 1, *available at* http://www.cfsinnovation.com/system/files/CFSI_2011_Underbanked_Market_Sizing_Study_November_2012.pdf. This is a newsletter for the Center for Financial Services Innovation (CFSI), which claims to be:

rates seem to hover between 400% and 1,000% on the most common high-cost loan products, regardless of how many lenders enter the market.

There are many varieties of high-cost loans, each with a variety of terms. One example is the so-called "installment loan" created to skirt a New Mexico state law requiring loans made for fourteen to thirty-five days to limit interest and fees to $15 per $100 borrowed for up to fourteen days per loan. In one such installment loan, described in a recent case brought against a lender by the state Attorney General's Office, a customer borrowed $100, to be repaid in twenty-six bi-weekly installments of $40.16 each, plus a final installment of $55.24.[17] In total, this borrower paid $100 in principal and $999.71 in interest for a total of $1,099.71 on the $100 loan. The annual percentage rate on the loan was 1,147%.[18]

Another example of a common form of high-cost loan in a state without caps is a true "payday" loan, so named because its original purpose was to help a customer to survive a short-term cash flow crisis between the time of the loan and the customer's next payday.[19] In a typical loan, a consumer borrows money at a rate of between $15 and $25 per $100, between now and payday, meaning for a period of fourteen days or less.[20] For example, if a consumer got paid four days ago but is already out of cash, she can borrow $390 from a payday lender and pay it back on her next payday, now ten days away. To get that $390 at the $15 per $100 rate, she would need a

> The nation's leading authority on financial services for underserved consumers. Through insights gained by producing original research; promoting cross-sector collaboration; advising organizations and companies by offering specialized consulting services; shaping public policy; and investing in nonprofit organizations and start-ups, CFSI delivers a deeply interconnected suite of services benefiting underserved consumers." A pro-payday and title loan industry group, CFSI's research is funded by Morgan Stanley.

Id. at 8. *See also* Fahzy Abdul-Rahman, *Small-Dollar Predatory Lending and Bad Loans,* GUIDE G-260 (Coop. Extension Serv., Coll. of Agric., Consumer, and Envtl. Sciences, La Cruces, NM), November 2012, *available at*, http://aces.nmsu.edu/pubs/_g/G260.pdf. Abdul-Rahman reports that between 1992 and 2000, the number of predatory lenders in New Mexico grew from one per 66,000 citizens to one for every 5,212 citizens. *Id.* He also notes that:

> In New Mexico, the highest concentrations of predatory lending stores tend to be in smaller cities and cities with high minority populations and/or high poverty rates, such as Gallup (880 people per lender), Grants (881 people per lender), and Farmington (1,647 people per lender), which collectively represent six times the rate in the rest of New Mexico in 2000.

Id. (citation omitted).

17. *See New Mexico, ex rel., Gary K. King v. B & B Inv. Grp.*, No. D-01010CV-2009-01916 at 1-2 (1st Dist. NM, Dec. 3, 2010); *see also* Felix Salmon, *Loan Sharking Datapoints of the Day*, REUTERS (Jan. 6, 2010), http://blogs.reuters.com/felix-salmon/2010/01/07/loan-sharking-datapoints-of-the-day/.

18. *King*, No. D-01010CV-2009-01916 at 1-2.

19. *See* Ronald J. Mann & Jim Hawkins, *Just Until Payday*, 54 UCLA L. REV. 855, 857 (2007) (explaining the mechanics of a typical payday loan); Francis, *supra* note 14, at 611-12 (describing a payday loan transaction).

20. *See* Nathalie Martin, *1,000% Interest—Good While Supplies Last: A Study of Payday Loan Practices and Solutions*, 52 ARIZ. L. REV. 563, 564 (2010) (giving an example of a typical payday loan).

checking account. She would write a check or authorize an automatic debit for $460, post-dated to her next payday.[21] When payday comes, she can either let the check or debit clear, assuming the unlikely event that she now has this money, or she can go in and pay another $60 to borrow the same $390 for the next two weeks. The annual percentage rate for a loan of this kind is 400% or more, depending on the number of days for which the loan remains outstanding.[22]

Still another example of a common high-cost loan product in a state without caps is the auto title loan, for which customers do not need bank accounts.[23] Rather, they simply need an unencumbered automobile, which secures the loan. These loans carry a typical interest rate of 25% per month, or 300% per annum.[24] While title loans usually carry lower interest rates than payday loans, they tend to be larger loans, increasing the chances that they will be difficult to repay and will create debt traps.[25] They also subject the borrower to the possibility of losing their vehicle, a risk not endured with the other forms of high-cost loans described here.[26]

These are but a few examples of the types of loans that are available to consumers in states without caps.

II. PUBLIC OPINION ON INTEREST RATE CAPS AND OTHER LIMITS ON PAYDAY-STYLE LENDING

Our data augment a large body of existing data showing public support for interest rate caps either in general, or in the context of payday-style loans. For example, in Montana, 75% of the population supported a ballot

21. *Id.*

22. While some lenders argue that it is inappropriate to state a loan like this in terms of annual percentage rate, because the loans are short-term loans, they are not actually used as short-term credit. It is common for borrowers to have numerous loans per year and to roll them over repeatedly so borrowers are in loan like this most of the time. *See* Francis, *supra* note 14, at 613, 617-18.

23. Kathryn Fritzdixon, Jim Hawkins & Paige Marta Skiba, *Dude, Where's My Car Title?: The Law, Behavior, and Economics of Title Lending Markets*, 2014 U. ILL. L. REV. (forthcoming 2014); Nathalie Martin & Ozymandias Adams, Grand Theft Auto Loans: Repossession and Demographic Realities in Title Lending, 77 MO. L. REV. 41 (2012).

24. *See* Martin & Adams, *supra* note 23, at 60; Hawkins, Fritzdixon & Skiba, *supra* note 23, at 2.

25. *See* Martin & Adams, *supra* note 23, at 74. Notably, Professor Jim Hawkins has found that borrowers do not fully understand the costs of title loans. *See* Hawkins, *supra* note 15, at 557. The people he surveyed did not exhibit an understanding of the high relative cost of title loans compared to credit card debt. Only 25.71% (n = 9) recognized that a title loan is a lot more expensive than credit card debt, while 17.14% (n = 6) thought a title loan is a lot less expensive than credit card debt. 5.71% (n = 2) thought a title loan was a little less expensive than credit card debt, and 31.43% (n = 11) thought the two were about the same cost. While this small sample of people may not be indicative of borrowers generally, it is disturbing how few people understood the relative cost of their title loan."

26. Martin & Adams, *supra* note 23, at 78-80, 85-86.

initiative capping interest on all consumer loans at 36%.[27] Similarly, after hearing that payday and title lenders can charge 500% or more in Texas, 63% of Texans age forty-five or older strongly agreed that the state should cap interest rates and fees, with 79% of respondents reporting that they believe the cap should be 36% or less.[28] In another survey taken by the Texas Fair Lending Alliance[29] as well as Texas Faith for Fair Lending, between 79% and 85% of people polled favored capping interest rates on payday and auto title loans at 36% APR or less.[30]

In Iowa, survey data show that seven in ten Iowans believe payday loan rates and fees should be capped.[31] Arizonans overwhelmingly voted to end payday lending in the state.[32] Similarly, in 2008, 63% of Ohioans voted to cap interest in the state at 28%.[33] In Rhode Island, the only state in New England to allow payday lending, a public poll showed that 76% of

27. *Results of a Statewide Survey on a Montana Ballot Initiative to Cap Interest Rates of Predatory Lenders,* LAKE RESEARCH PARTNERS (Jan. 2010), http://www.consumerfed.org/pdfs/Publicmemo-MT-Payday.pdf; CTR. FOR RESPONSIBLE LENDING, *supra* note 13; *Montana Loan Interest Rate Limit*, BALLOTPEDIA, *supra* note 13 (reporting that nearly 72% of Montana voters voted to cap interest rates on payday and auto title loans at 36% APR); *Ohio Payday Lender Interest Rate Cap*, BALLOTPEDIA, *supra* note 13.

28. *Summary of AARP Poll of Texans Age 45+,* AARP (Jan. 2013), http://www.aarp.org/content/dam/aarp/research/surveys_statistics/econ/2013/Summary-of-AARP-Poll-of-Texans-Age-45-Plus-Opinions-on-Payday-Loan-Rates-and-Legislation-AARP.pdf; THE VINDICATOR, *supra* note 13; P*ayday and Auto Title Lending*, LBJ SCHOOL OF PUBLIC AFFAIRS, CENTER FOR POLITICS AND GOVERNANCE, http://www.utexas.edu/lbj/cpg/docs/f3_2013_payday.pdf (last visited Sept. 20, 2013) (containing an excellent summary of existing Texas law).

29. The Texas Fair lending Alliance is a Texas coalition comprised of more than three-dozen financial, community and faith organizations a group dedicated to bringing increased regulation to the payday loan industry. *Texas Fair Lending Alliance*, UNITED WAY HOUSTON, http://www.unitedwayhouston.org/default/Texas%20Fair%20Lending%20Alliance-%20AEI%20Presentation.pdf (last visited Oct. 6, 2013).

30. Rudolph Bush, *Statewide Survey Shows Broad Support for Payday Lending Reform*, DALLAS NEWS CITY HALL BLOG (June 21, 2012, 9:41 AM), http://cityhallblog.dallasnews.com/2012/06/statewide-survey-shows-broad-support-for-payday-lending-reform.html/ (reporting that 79% of Texans polled favored capping interest rates on payday and auto title loans at 36% APR or less); THE VINDICATOR, *supra* note 13.

31. *Iowans for Payday Loan Reform: Iowa Poll Reveals Strong Bi-partisan Support for Payday Lending Reform,* IowaPolitics.com (Jan. 26, 2011), http://www.iowapolitics.com/index.iml?Article=224730 (reporting that 7 in 10 Iowans called for capped payday loan interest rates).

32. *Arizona Payday Loan Reform,* BALLOTPEDIA, *supra* note 12 (voters in Arizona defeated a payday sponsored ballot initiative, mandating an end to state statutes that allow 400% interest rates). Title loans are not restricted in Arizona, however, causing lenders to morph from payday loans to title loans. *See* Maureen West, *Payday Lenders Morphing Into Auto Title Lenders*, AARP (Dec. 10, 2010), http://www.aarp.org/money/scams-fraud/info-12-2010/payday_lenders_morphing_into_auto_title_lenders.html.

33. *Ohio Payday Lender Interest Rate Cap*, BALLOTPEDIA, *supra* note 13 (reporting that over 63% of Ohio voters voted in favor of capping the Ohio payday loan industry's interest rate at 28%); *2010 Payday Lending Poll Results,* CATHOLIC CONFERENCE OF OHIO (April 29, 2010), http://www.ohiocathconf.org/i/EJ/GraphWork04.pdf.

Rhode Islanders supported capping interest on payday loans.[34] Citizens of Kentucky similarly voted for a 36% cap on all loans.[35] Finally, in Colorado, voters agreed there was a need for a similar 36% cap.[36] On the national front, a survey by the Center for Responsible Lending showed that three out of four Americans who expressed an opinion thought that Congress should cap interest rates, and 72% felt that the caps should be no higher than 36%.[37] Indeed, no study has found a public desire *not* to cap interest rates.

Additionally, as the next section describes, the public seems to think such caps are in place even when they are not, suggesting that people are ill-informed about what the law actually provides. Our data show that at least in one small state with huge numbers of high-cost lenders, many people simply have no idea that 500% and 1,000% loans exist and perhaps more critically, they are uniformly surprised to hear that this type of lending is legal.[38]

III. THE STUDY

A. Introduction to Study Methodology

The purpose of our study was to assess the public's understanding of and attitudes about financial practices associated with borrowing and lending. We wondered how knowledgeable the general public is about current

34. Press Release, R.I. Office of the Gen. Treasurer, Coalition, Raimondo, Taveras Raise Awareness on Payday Lending Pitfalls (Apr. 17, 2012), http://www.ri.gov/press/view/16334 (reporting that 76% of Rhode Islanders polled support capping payday loan interest rates); *2010 Payday Lending Poll Results*, *supra* note 33.

35. *Kentucky Voters Support a 36 Percent Rate Cap on Payday Loans, Despite Database and Job Loss Threat*, KY. COALITION FOR RESPONSIBLE LENDING, http://kyresponsiblelending.org/wp-content/uploads/2012/10/Poll-data-fact-sheet.pdf (last visited Sept. 19, 2013).

36. Isabel Nicholson, *The Truth About Payday Loans: How Hardworking Coloradans Take the Bait and Get Caught in a Cycle of Debt*, BELL POL. CTR. (Feb. 15, 2008), https://bellpolicy.org/sites/default/files/PUBS/IssBrf/2008/02PaydayLoansweb.pdf.

37. *Congress Should Cap Interest Rates*, CTR. FOR RESPONSIBLE LENDING (March 2009), http://www.responsiblelending.org/payday-lending/policy-legislation/congress/interest-rate-survey.pdf; Christopher L. Peterson, *'Warning: Predatory Lender' - A Proposal for Candid Predatory Small Loan Ordinances*, 69 WASH. & LEE L. REV. 893 (2012), *available at* http://ssrn.com/abstract=1971971 ("Over a hundred different local governments around the country have adopted ordinances restricting high cost, small loans. This trend reflects the solid majority of the American public that opposes the legality of triple-digit interest rate loans and the long historical tradition of treating payday and car-title lending as a serious civil offense or even a crime.").

Id. at 893-95, n.1 (citing CTR. FOR POL. ENTREPRENEURSHIP, *Poll on Payday Lending Legislation* (Feb. 15, 2008), *available at* http://www.c-pe.org/download/PaydayLendingReform/PollPaydayLending.pdf (stating that a weighted sample of 500 Colorado voters found "74% of respondents are in favor of proposed legislation that will set a cap of 36% on the interest and fees that a company can charge for payday loans").

38. *See infra* notes 42-49 and accompanying text.

interest rates for various types of loans. We were also interested in what views people held regarding the role of government regulation in borrowing and lending, and more particularly, whether governments should cap interest on loan products. In the state in which our study was conducted, there are no interest rate caps for most loans,[39] and high-cost lenders and products are ubiquitous. This circumstance allowed us to test the hypothesis that people were unaware of the high interest rates even in a place in which high cost loans were extremely common. We gathered data on these and other topics and then investigated relationships between respondents' financial beliefs and attitudes on the one hand, and various personal demographics such as education and religiosity on the other. The results of the study have potential implications for influencing new legislation and revising existing legislation governing the high-cost lending industry.

B. Methods

We developed a twenty-eight-item survey to assess people's knowledge and beliefs about various financial issues. The questions and data discussed in this article are contained in Appendix A. The survey was administered to two separate groups of respondents through the Opinio survey system. Participants responded to the Internet survey at their own convenience using personal computers available to them.

Subjects. A group of 105 college students participated in the survey to partially fulfill a research requirement in an undergraduate psychology course. A second group of ninety-four participants was solicited through ads placed in local newspapers in several large cities throughout New Mexico. The public participants were remunerated with a $10 Wal-Mart card. The study was approved through the University of New Mexico's Institutional Review Board.

C. Results

1. General

We compared the college students and the general population by performing a chi-square test of independence[40] on the two groups' answers to each question. The groups differed significantly on several items, but these were mostly demographic questions such as age, education level, occupa-

39. For one exception, see Bartik, *supra* note 11 and accompanying text.

40. .DAVID C. HOWELL, FUNDAMENTAL STATISTICS FOR BEHAVIORAL SCIENCES 502-531 (7th. ed. 2010), *available at* http://yunika1106.files.wordpress.com/2013/03/fundamental-statistics-behavioral-sciences.pdf.

tion, and income—characteristics that would be expected to differ between a college group and the general population. In addition, we observed that students were less likely to have taken out loans, had borrowed less money on loans when they did take out loans, and guessed the annual percentage interest rates of loans as being somewhat lower compared to the public group. However, there were no significant differences for the remaining questions, so we combined the results for the two groups into a single sample of 199 participants to simplify analysis and reporting of the findings.

Appendix A shows the proportions of responses to each question for the combined sample of participants. The respondents were roughly two-thirds female, 50% students, and 60% thirty years of age or younger. Seventy percent had an annual income of $30,000 or less, and about two-thirds had graduated from high school or had some college education. Approximately 45% were registered Democrats and 42% percent identified themselves as either liberal or very liberal in their political/social views. In addition, 40% of the respondents identified themselves as either religious or very religious and 30% were Catholic, the largest religious category.

2. Findings Related to Beliefs about Interest Rate Caps

a. Credit Card Interest Rates

Questions 6 through 14 related to consumers' use and knowledge of the law related to credit cards.[41] Because part of the purpose of this Article is to share our finding that the public lacks knowledge about the laws of interest caps, as well as our findings of broad public bipartisan support for interest rate caps, this discussion focuses on questions related to these two topics. More information on related questions is available in Appendix A. As a starting point, 45% of the respondents had borrowed money on a credit card and most of these had carried over a balance from month-to-month. Question 6 asked, "When borrowing money with a credit card, do you believe the current law limits or caps the maximum annual percentage interest rate that a lender can charge?" Over 58% of participants thought that the current law *does* limit the amount of interest rates a credit card company can charge. In fact, the law contains no such limit, showing that well over half of the public is misinformed about the protections the law provides with respect to credit card interest rate caps.

41. More specifically, Questions 1-14 related to how often consumers pay off credit cards in full, what the actual interest rates are on credit cards, and whether the participants use credit cards, and what sized balances they carry, the results of which can be found *infra* Appendix A.

Question 7 asked those who thought there *was* a cap on interest rates on credit cards which of the following annual percentage rates (10% or lower, 25%, 50%, 200% or higher) was closest to the maximum annual percentage interest rate allowed by law for money borrowed on a credit card. Over 48% of participants thought the rate was 25% or lower, with 25% being the most common rate chosen by those who thought there was a cap. Question 8 asked "When borrowing money with a credit card, do you think the current law *should* limit or cap the annual percentage interest rate a lender can charge?" Over 90% of participants thought that the law should limit rates on credit card interest. Question 9 asked those who thought there *should* be a cap what that cap should be, giving the following choices: 10% or lower, 25%, 50%, 100%, or 200% or higher. Nearly 53% of participants thought the rate should be 10% or lower and over 29% thought the credit card rate cap should be 25%. Collectively then, over 82% of all participants thought credit card interest rates should be capped at 25% or less.

Question 10 asked participants to assume that Sally, a hypothetical consumer, charged items on her credit card, and that the credit card company knew that Sally would not be able to pay back the amount borrowed. The question then asked participants whether they believe it was legal for the lender to still lend her the money. The majority of the participants, nearly 59%, incorrectly thought the loan was illegal if the lender knew Sally had no ability to repay the loan. In the U.S., knowledge of an inability to repay a loan rarely affects the legality of a loan and certainly does not do so in the context of credit card debt.[42] Once again, these data show that the public is misinformed about the law related to credit card debt.

b. Storefront or Short-term Loans

Questions 15-23 related to participants' knowledge and use of storefront loans or short-term loans, which were defined in the study as a loan "due either on your next payday or in some other short period of time" where "[y]ou may also have to give your car title in exchange for the money." The definition of short-term loan was written broadly enough to incorporate payday loans, title loans, and triple-digit interest rate "installment loans," a relatively new product in New Mexico designed to get around a

42. *See* John Pottow, *Ability to Pay*, 8 BERKELEY BUS. L.J. 175, 175-77 (2011). This article discusses how new Consumer Financial Protection Bureau rules allow the agency to consider whether mortgage borrowers had an ability to pay when considering whether a mortgage loan is enforceable. The article also notes that considering a borrower's ability to pay is a total sea change in the world of U.S. consumer lending, calling it a "profoundly transformative innovation." *Id.* at 176. The article also notes that considering a borrower's ability to pay is common in European consumer law. *See id.* at 189-91.

new law limiting the rate on payday loans to 417% or less.[43] Question 15 asked, “When borrowing money with a short-term loan, do you believe the current law limits or caps the maximum annual percentage interest rate that a lender can charge?” Roughly 56% of participants said no, which is correct because as a general matter, New Mexico law does not cap interest on consumer loans.[44]

Even though nearly half of the participants (almost 44%) were ignorant of the law on interest rate caps and short-term loans, we were actually a bit surprised that so many New Mexicans *knew* that short-term loans carried no interest rate caps. One of us who works and writes in the area of payday and title loans extensively rarely encounters anyone in the middle class who knows that these rates are *not* capped. Perhaps people were more aware of the law than we expected because a rather astounding 23% of our participants reported having taken out a short-term loan. Previous New Mexico data show that 15% of New Mexicans use payday loans and that 10% use title loans.[45] These percentages are much higher than the estimated 5% of the population nationally that use high-cost payday or title loans.[46] New Mexico’s high-cost loan usage rates could be even higher than we found, given that we only advertised our survey in major metropolitan areas, and that payday and title loan shops are even more concentrated in smaller towns in our state.[47]

Question 16 asked those people who *thought* there was a cap on storefront or short-term loans to predict which of five categories of rates they believed was the maximum annual rate. Only a tiny percentage of people in

43. *See* Martin, *supra* note 20, at 564 (description of the ways in which lenders have tried to get around existing laws and an example of a typical payday loan and a typical installment loan); Martin & Adams, *supra* note 23, at 42-43 (description of a typical title loan). *Id.* at 91 n.221. The survey instrument described a short–term loan as follows: During the next several questions you will be asked about short-term loans. By short-term loan we mean a loan taken out at a storefront lender and is usually due either on your next payday or in some other short period of time. You may also have to give your car title in exchange for the money. You will be asked what you think the law *is*, as well as what you think the law *should be* with respect to short-term loans.

44. *See* Bartik, *supra* note 11. New Mexico attempted to cap interest on payday loans at around 390% but the law contained a large loophole, through which lenders began offering payday loans without post-dated checks, which placed the loans outside the statute and made them completely unregulated. Technically then, payday loans are capped at 390% in the state and there is no cap on all other loans.

45. *See* Appendix A, Question 22; McKernan, Ratcliffe, & Kuehn, *supra* note 2. These authors found that in New Mexico, the usage rate of payday loans was 15%, compared to 10% nationally, and that the usage rate for title loans was10% compared to 6% nationally. While our 23% at first seemed higher than previous data from New Mexico, our data include payday and title loan usage, as well as other short-term loan like high-interest installment loans.

46. *Payday Lending in America*, PEW CHARITABLE TRUST 22-23 (July 2012), *available at* http://www.pewstates.org/uploadedFiles/PCS_Assets/2012/Pew_Payday_Lending_Report.pdf. (finding that 5.5% of borrowers reported using payday loans nationally).

47. Abdul-Rahman, *supra* note 16, at 1.

New Mexico who thought there *was* a cap on interest for storefront or short-term loans believed such a cap was 200% or more. Since existing loans carry a rate of far greater than 200%, these data are further evidence that many people are generally unaware of the true high cost of high-cost lending.

Question 17 asked, "When borrowing money with a short-term loan, do you think the current law *should* limit or cap the maximum annual percentage interest rate a lender can charge?" Approximately 86% of participants thought that the current law *should* cap interest and fees on storefront or short-term loans. Question 18 asked those who thought rates *should be* capped for storefront or short-term loans to choose a rate at which such loans should be capped. When faced with choices of 10% or lower, 25%, 50%, 100%, or 200% or higher, over 72% of participants felt that the closest approximation of the rate at which these loans should be capped was 25% or less. Interestingly, people who had themselves taken out short term loans were more in favor of interest rate caps than the general public, though not by a large margin. Over 95% of those who had taken out a short-term loan favored caps on short-term loans, whereas less than 85% of those who had not done so favored such caps.

Similar to the question asked with respect to credit cards, Question 19 asked participants to assume that our hypothetical consumer, Sally, took out a short-term loan, and that the lender knew that Sally would not be able to pay back the amount borrowed. It then asked participants if they thought the loan was legal. Approximately 56% of participants thought such a loan would *not* be legal, despite that, as with credit cards, the ability to pay back a short-term loan such as a payday, title loan, or installment loan, does not affect the legality of the loan.[48] Additionally, Question 21 asked partici-

48. This will change under the new Consumer Financial Protection Bureau regulations. As enacted, Dodd-Frank Section 1411(b) amends the Truth In Lending Act ("TILA") Chapter 2, 15 U.S.C. § 1631-51 (2006), by inserting a new section 129C. 15 U.S.C.A § 1639c (2013 West). Title XIV of Dodd-Frank is subtitled the "Mortgage Reform and Anti-Predatory Lending Act," and Section 1411 provides the following new obligation on all mortgage lenders (originators and brokers):

> Minimum standards for residential mortgage loans.
>
> (a) Ability to Repay. —
>
> (1) In general. —In accordance with regulations prescribed by the Board, no creditor may make a residential mortgage loan unless the creditor makes a reasonable and good faith determination based on verified and documented information that, at the time the loan is consummated, the consumer has a reasonable ability to repay the loan, according to its terms, and all applicable taxes, insurance (including mortgage guarantee insurance), and assessments.

Id. Dodd-Frank also provides that:

> (3) Basis for determination. —A determination under this subsection of a consumer's ability to repay a residential mortgage loan shall include consideration of the consumer's credit history, current income, expected income the consumer is reasonably assured of receiving, current obligations, debt-to-income ratio or the residual income the consumer will have after

pants to predict the actual rate of interest on short-term loans. While 19% accurately reported that the typical loan rates were 200% or more, the other 81% had no idea that rates on payday, title, or installment loans were 200% per annum or higher. These data show a huge lack of awareness of the true cost of high-cost credit.

3. Cross-tabulated Data

As set out above, we also cross-tabulated data between pairs of questions. This analysis allowed us to investigate whether respondents who tended to answer a question in one way also tended to answer a second question in a certain way, and thus allowed us to examine the relationship between two different characteristics. For example, are socially conservative people (Question 25) more likely to oppose government regulation of interest rates (Question 28) than liberals? These crosstab analyses are more complex to perform and report, but they can uncover interesting relationships among participants' beliefs. The results are reported in Appendix B, in Tables B1 through B3. A significant chi-square test (i.e., $p < .05$) indicates that a person's response to one question tended to dictate their response to the other question. There were 124 statistically significant crosstab relationships in all, but many of these were expected dependencies between demographic characteristics, such as older respondents were more educated and had higher incomes. Appendix B shows significant crosstab relationships for selected questions. For each crosstab analysis, we report the conditional proportions of respondents in each row along with the results of a chi-square test.

Table B1 shows that in our sample of respondents, men were more conservative than women. The male-to-female ratio varied from 60:40 for those identifying as very conservative to 28:72 for those identifying as very liberal. Interestingly, there was little difference in the male to female ratios for political party (Question 24),[49] religious affiliation (Question 26), or

> paying non-mortgage debt and mortgage-related obligations, employment status, and other financial resources other than the consumer's equity in the dwelling. . . . A creditor shall determine the ability of the consumer to repay using a payment schedule that fully amortizes the loan over the term of the loan.

Id. The Credit Card Act provides a similar provision with respect to credit cards. Credit Card Accountability Responsibility and Disclosure Act of 2009, Pub. L. No. 111-24, § 109, 124 Stat. 1743 (2009) ("A card issuer may not open any credit card account for any consumer under an open end consumer credit plan, or increase any credit limit applicable to such account, unless the card issuer considers the ability of the consumer to make the required payments under the terms of such account."). *See generally* Pottow, *supra* note 42 (discussing the Dodd-Frank's Act's ramifications on the credit industry).

49. We acknowledge that political party affiliation does not predict attitudes on all issues and also that many complex attitudes go into determining whether a person believes or does not believe that interest rates on consumer loans should be capped. Given these complexities, our only goal was to test

religious beliefs (Question 27). The political/social distinction between men and women was maintained despite commonalities among these other characteristics.

Table B2 shows that support for government regulation of interest rates (Question 28) varied as a function of political/social views (Question 25). As one might expect, liberals, more so than conservatives, were more likely to favor government regulation of interest rates. However, somewhat surprisingly, even among those who identified themselves as very conservative, the majority (57%) believed that government should set limits on interest rates. Table B3 shows a similar relationship among political party and endorsement of government regulation of interest rates. Democrats were more likely to favor government regulation of interest rates than Republicans, but even among Republicans, 74% endorsed government regulation. Although not reported in Appendix B, we found a similar pattern of responses for the more specific questions about government regulation of interest rates for credit cards (Question 8) and short-term loans (Question 17).

Considered collectively, these data show deep, bipartisan public support for interest rate caps and raise abiding questions about whether the political system is working to create consumer protection laws that the public supports and desires. Based upon these data and assuming that politicians are elected to enact laws supported by the public, all politicians (regardless of political party) should support interest rate caps on either a state or national level.

CONCLUSION

Our data show widespread support for interest rate caps in two settings, credit cards and high-interest, payday and title-style loans. There is now a large body of survey data indicating that most Americans believe in interest rate caps. While our data show that more people who favor interest rate cap legislation are Democrats, the data also show that over 57% of people who report being "very conservative" politically and over 82% of those who report being "conservative" politically favor interest rate caps over no interest rate caps. Even in New Mexico, where there generally are no interest rate caps, the general public overwhelmingly favors caps.

the theory that democrats would be more likely as a whole to support interest rate caps that republicans, given that republicans generally favor less regulation rather than more. While this hypothesis proved true, a far larger percentage of republicans than we would have anticipated supported caps on interest rates.

These data raise fundamental questions about why the public is not more active in seeking out laws that cap interest. We think we know the answer. First, many people incorrectly think interest rates are capped (over 58% for credit cards and over 43% for short-term loans), when in reality these rates are not capped. In other words, people misunderstand and overestimate the protection the law currently provides. Second, even among those who know that the law provides *no* caps, most are unaware that lenders currently charge interest rates of 200% or more.

Indeed our data showed that when asked in Question 21, relating to the participants' knowledge of the average interest rate on a short-term loan, only 19% of participants knew that the actual rate was 200% or more. This means that even in a state in which there are no interest rate caps, where lenders regularly charge between 400% and 1,110% per annum for consumer loans, and where high-cost lenders are ubiquitous, 81% of the public is unaware of the costs of these loans. If the public was aware of current lending practices, these data suggest they would support enacting interest rate cap legislation.

APPENDIX A. SURVEY QUESTIONS AND RESPONSES

Below is the full set of survey questions and responses reported for the combined 199 participants (N=94 participants in the Public group and N=105 participants in the Student group). For questions where the proportions in a column do not sum to 100, then the remaining participants did not answer the question.

Question 1. Are you male or female?

Male	34.67
Female	65.33

Question 2. What is your age?

18-30	60.80
31-50	18.09
51 or older	21.11

Question 3. What is your education level?

High School Graduate or GED	39.20
Trade of Vocational Certificate	0.50
Associates Degree or Some College	28.64
Bachelor's Degree	17.59
Master's Degree	8.54
Doctor's Degree	5.53

Question 4. Which of the following categories best describes your job?

Student	52.26
Benefits recipient	0.50
Laborer	2.01
Office	3.02
Heathcare	5.03
Military	1.01
Sales	4.02
Education	5.03
Government	1.51
Management	2.51
Professional	6.03
Other	17.09

Question 5. What is your annual individual income?

less than $30,000	71.36
$30,000-$59,999	18.09
$60,000-$89,999	7.04
$90,000 or higher	3.52

Question 6. When borrowing money with a credit card, do you believe the current law limits or caps the maximum annual percentage interest rate that a lender can charge?

No	41.21
Yes	58.29

Question 7. If you answered yes to the previous question, which of the rates below do you believe is closest to the maximum annual percentage interest rate allowed by law for money borrowed on a credit card?

10% or lower	12.06
25%	36.68
50%	9.05
100%	0.50
200% or higher	1.51
I believe there is no maximum rate	40.20[50]

Question 8. When borrowing money with a credit card, do you think the current law *should* limit or cap the annual percentage interest rate a lender can charge?

No	8.04
Yes	90.45

Question 9. If you answered yes to the previous question, which of the rates below is closest to what should be the maximum annual percentage interest rate allowed by law for credit card loans?

10% or lower	52.76
25%	29.15
50%	8.04
100%	0.50
200% or higher	0.00
I believe there should not be a maximum rate	9.55

Question 10. Assume Sally charged items on her credit card, and the credit card company knew that Sally would not be able to pay back the amount borrowed. Do you believe it is legal for the lender to still allow her to borrow the money?

No	58.79
Yes	40.70

50. When there are slight variations in results from table to table, say between this figure and the first figure in Table 6, it means that once in a while, a person said they thought there was no cap, but then chose a cap in the next question. This was fairly rare, as these data show.

Question 11. How often do you think people pay off the full loan amount on credit card loans each month?

Rarely, if ever	27.64
20% of the time	40.70
40% of the time	19.10
60% of the time	9.55
80% of the time	2.01
Almost always	0.50

Question 12. On average, what would you guess is the actual annual percentage interest rate charged on credit card loans?

10% or lower	17.59
25%	65.83
50%	12.06
100%	2.51
200% or higher	1.01

Question 13. Have you ever borrowed money with a credit card?

No	53.77
Yes	45.23

Question 14. If you answered yes to the previous question, what is the largest balance (amount rolled over from month to month) that you have ever carried on a credit card?

less than $1,000	18.59
$1,000 to $4,999	13.57
$5,000 to $9,999	9.05
$10,000 to $19,999	4.52
$20,000 or more	1.51
I have never carried a balance on a credit card loan	52.76

Question 15. When borrowing money with a short-term loan, do you believe the current law limits or caps the maximum annual percentage interest rate that a lender can charge?

No	56.28
Yes	43.22

Question 16. If you answered yes to the previous question, which of the rates below do you believe is closest to the maximum annual percentage interest rate allowed by law for money borrowed on a short-term loan?

10% or lower	9.55
25%	19.10
50%	12.56
100%	3.02
200% or higher	4.52
I believe there is no maximum rate	51.26

Question 17. When borrowing money with a short-term loan, do you think the current law *should* limit or cap the maximum annual percentage interest rate a lender can charge?

No	13.07
Yes	86.43

Question 18. If you answered yes to the previous question, which of the rates below is closest to what should be the maximum annual percentage interest rate allowed by law for short-term loans?

10% or lower	40.20
25%	32.66
50%	13.07
100%	2.01
200% or higher	0.00
I believe there should not be a maximum rate	12.06

Question 19. Assume Sally took out a short-term loan, and the lender knew that Sally would not be able to pay back the amount borrowed. Do you believe it is legal for the lender to still allow her to borrow the money?

No	56.28
Yes	43.22

Question 20. How often do you think people pay off short-term loans under the loan terms, without borrowing the money again right away?

Rarely, if ever	25.63
20% of the time	28.64
40% of the time	22.11
60% of the time	15.08
80% of the time	5.53
Almost always	2.51

Question 21. On average, what would you guess is the actual annual percentage interest rate charged on short-term loans?

10% or lower	14.07
25%	28.14
50%	32.66
100%	5.53
200% or higher	18.59

Question 22. Have you ever taken out a short-term loan?

No	76.38
Yes	22.61

Question 23. If you answered yes to the previous question, what is the largest short-term loan you have had?

less than $1,000	10.55
$1,000 to $4,999	9.05
$5,000 to $9,999	3.52
$10,000 to $19,999	0.50
I have never had a short-term loan	76.38

Question 24. With which political party are you registered?

Democrat	44.72
Republican	21.11
Independent	14.57
None	19.60

Question 25. How would you rate your political/social views?

very conservative	7.54
conservative	17.09
neutral	33.67
liberal	27.14
very liberal	14.57

Question 26. How would you describe your religious affiliation?

Catholic	29.65
Protestant	12.56
Jewish	2.51
Muslim	0.50
Other	27.64
None	27.14

Question 27. How would you rate your religious beliefs?

very religious	9.55
religious	30.15
neutral	20.60
not very religious	16.58
not religious at all	23.12

Question 28. Do you believe the government should set limits on interest rates?

No	12.56
Yes	86.93

APPENDIX B: CROSSTAB ANALYSES OF SELECTED QUESTIONS

Below are crosstab analyses of selected pairs of questions. In each case, the combined group of 199 participants was used. The numbers in each cell refer to the proportion of respondents who answered the first question (row) one way, broken out by how they answered the second question (column). If the proportions in the rows vary significantly, then there is a dependency on how respondents answered the two questions. The last row in each table shows the proportion of responses collapsing across the row categories.

Table B1. Comparison of Question 25 (row: How would you rate your political/social views?) and Question 1 (column: Are you male or female?). Chi-square = 10.18, p < .05

	Male	Female	Totals
very conservative	60.00	40.00	100
conservative	29.41	70.59	100
neutral	43.28	56.72	100
liberal	24.07	75.93	100
very liberal	27.59	72.41	100
Total	34.67	65.33	100

Table B2. Comparison of Question 25 (row: How would you rate your political/social views?) and Question 28 (column: Do you believe the government should set limits on interest rates?). Chi-square = 30.89, p < .01

	No	Yes	Totals
very conservative	42.86	57.14	100
conservative	17.65	82.35	100
neutral	14.93	85.07	100
liberal	1.85	98.15	100
very liberal	6.90	93.10	100
Total	12.56	86.93	100

Table B3. Comparison of Question 24 (row: With which political party are you registered?) and Question 28 (column: Do you believe the government should set limits on interest rates?). Chi-square = 11.26, p<.05

	No	Yes	Totals
Democrat	5.68	94.32	100
Republican	26.19	73.81	100
Independent	10.34	89.66	100
None	15.38	84.62	100
Total	12.56	86.93	100