



BET founder Robert L. Johnson wants to 'end payday lending as we know it'

By Melissa Anders | manders@mlive.com
on May 30, 2013 at 11:19 AM

MACKINAC ISLAND, MI — Black Entertainment Television founder Robert L. Johnson wants to offer an alternative to chronic short-term borrowing that he says prevents consumers from saving money or gaining financial literacy.

The business leader and media mogul talked about his plans for a new wage advance product during remarks at the Detroit Regional Chamber's Mackinac Policy Conference on Wednesday.

He hopes to help workers who live pay check to pay check, particularly African Americans, break the cycle of borrowing at high interest rates to make ends meet.

"There's absolutely no reason why this country should allow that kind of lending process to take place if there are alternatives, and there are alternatives to this type of lending," Johnson said. "And we're working on a plan to end payday lending as we know it today."

Johnson said this summer he'll announce a new program that offers wage advance lending in partnership with employers. The loans would come with "significantly lower" rates and longer terms than payday lenders. His program would offer rate discounts for consumers who pass a financial literacy test, set up savings accounts and pay on time.



Robert L. Johnson, founder of Black Entertainment Television, spoke with attendees of the Mackinac Policy Conference on Wednesday, May 29.

"What we believe, is that people who know they have access to a safety net of borrowing will not become chronic borrowers of payday lending," he said.

It wouldn't be Johnson's first foray into the lending world. His company, RLJ Financial LLC offers lending options for consumers and small businesses as well as deposit products for underserved markets.

Johnson's proposal intrigued Dave Adams, president and CEO of the Michigan Credit Union League.

“I think credit unions would be a fabulous partner with him and his organization to provide these alternatives to consumers; alternatives to payday lenders who not in all cases, but in many cases take advantage of people,” Adams said.

Washington Business Journal reported that the new loan product would be offered through Fort Worth, Texas-based Think Finance Inc., which focuses on “underbanked” consumers. Johnson sits on the company’s board of directors.

Email Melissa Anders at manders@mlive.com. Follow her on Google+ and Twitter: @MelissaDAnders. Download the MLive app for iPhone and Android.

http://www.mlive.com/business/index.ssf/2013/05/bet_founder_robert_l_johnson_w.html