

A Few Minutes With Trina Thomas:

PRESIDENT, NIS INC., MASTER KICKBOXER AND PEERLESS YOGA INSTRUCTOR

BY MARCIA BLITZ



As head of NIS Inc., headquartered in Lincoln, Nebraska, Trina Thomas wonders how to fit a *Currents* interview into her day because she is so busy. She is busy running a successful payday advance company, creating a training videotape for her staff, serving as president of the Nebraska Association of Check Cashers, sitting on FISCA's Board of Directors, traveling frequently, and – always – passionately advocating for the future of her industry and the ability of the small-loan consumer to get the best products and service possible. Still, she has time for some kickboxing now and then.

Basically, Thomas, a 51-year-old woman of strong convictions and a commitment to hard work, has a problem with the law, specifically the terminology of the present Nebraska State Payday Lending Legislation. "The way the law is now written does not allow for the future of technology, for things that will come into existence – things we can't even conceive of now," she says. As written, the law is egregiously inflexible; it applies only to checks and does not take into account any of the electronic services, which are, of course, a widely accepted means of transferring money today. "We can't even do business with some customers because they don't use checks. They do all their banking online and with a debit card," Thomas notes. Thomas doesn't just have a problem with the law; she means to do something about it... and she is!

Most recently, she's been involved in the passage of Nebraska's LB1193 bill. After meeting with lobbyists and pressing her case, the very articulate and persuasive Thomas has just seen the bill get one step closer to being enacted by the Nebraska legislature. She is heartened because the main point of the bill will not just help the payday advance business – it will help the consumer in a variety of ways. For example, instead of 31 days for the loan to be paid back, it's been extended to 34. Therefore, when holidays and weekends figure into the crucial payback time for a borrower who gets a once-a-month paycheck, the borrower will not be penalized for those non-business days. Among other issues the bill addresses is the ability of the state banking department to take steps when a law is broken in the loan process. By agreeing to a raise in the level of surety bonds, this is one issue that is a trade-off for FISCA, but it's a necessary one to get other favorable laws passed. Thomas hopes to repeat legislative success in other states. With stores in Arizona, Nevada, Oklahoma and Virginia, undoubtedly she'll be looking at their regulatory rules more closely. She observes that reform is a slower process than hoped for because laws are different in each state. "Most states don't have the regulatory environment we have in Nebraska," Thomas says. "The legislative side for us is pretty easy." Still, one doesn't get the impression that her job is an easy one.

Thomas got into the payday advance business after 14 years of running LaunDRYland, a laundromat business that was her idea after receiving her degree in Finance from the University of Nebraska–Lincoln. Her entry into her current career started in 1992 when she went into business with a partner who had an idea, but not the money. Thomas helped finance the payday advance operation that started, as most do, with one store. Subsequently she expanded it into a multi-store operation with 54 stores (ten more to



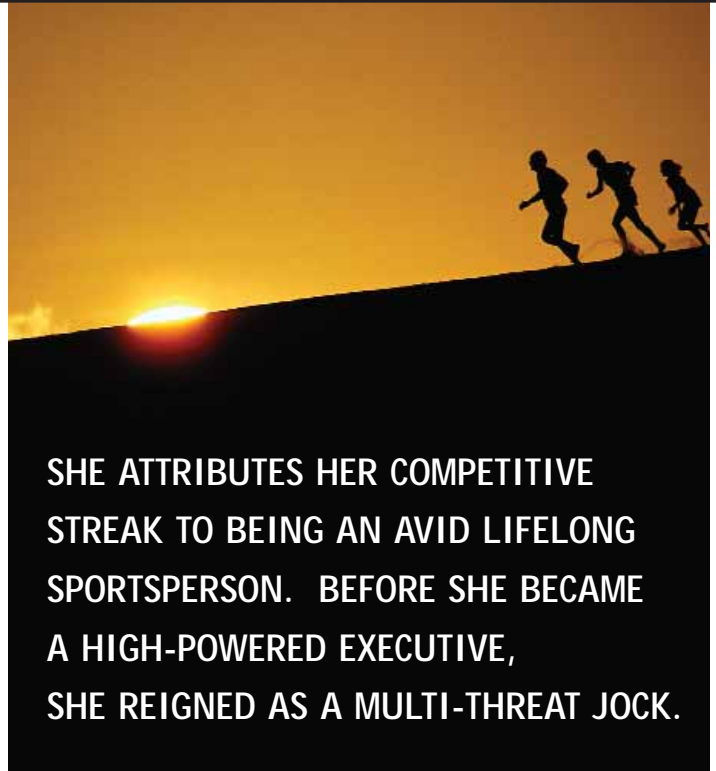
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come) in Nebraska and other states. Some of these stores do check cashing as well. NIS currently employs 275 people.

Why has Thomas' business grown as much as it has, and why do customers choose and remain loyal to payday loans? It's not because they are desperate and have nowhere else to turn. One interesting fact Thomas relates is that payday advance customers dispel most negative assumptions about them – that they are minorities, low-income, uneducated, and elderly. (According to FISCA's Web site, 60 percent of FISCA member customers have a traditional savings or checking account at a bank or credit union.) "Across the board," says Thomas, "they are the same as average citizens, from income level to race to gender." She bases these findings on the 2004 Payday Advance Customer Satisfaction Survey conducted by the Community Financial Services Association (CFSA) and suggests that if this demographic profile were better known, perception of the money services business could be changed for the better.

Thomas bristles at the idea that consumer groups and regulators have criticized the payday advance business and are trying to restrain it. She compares a small loan from Wells Fargo to a payday advance, explaining that the consumer could get socked with a yearly rate of 120% and that there are exorbitant extra fees for bounced checks, etc. With payday advance, the fees may seem high but are not, because they are all-inclusive. Some rates –

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SHE ATTRIBUTES HER COMPETITIVE STREAK TO BEING AN AVID LIFELONG SPORTSPERSON. BEFORE SHE BECAME A HIGH-POWERED EXECUTIVE, SHE REIGNED AS A MULTI-THREAT JOCK.

which vary by state – are as low as Nebraska's 15 percent.

Thomas attributes her business prowess to both nature and nurture. Growing up in Houston, Texas, as an only child, dinner table conversation centered on her father's accounting business. Over the years, she was fascinated to watch how it grew and was glad to listen to discussions about what succeeded or why a strategy failed. Also at the table was her Japanese mother, from whom she believes she got her strong work ethic. But despite being immersed in the financial business every day of her

Thomas herself admits to being competitive – a quality that serves her well at NIS. Again, it comes from a life experience far from the boardroom. She attributes her competitive streak to being an avid lifelong sportsperson. Before she became a high-powered executive, she reigned as a multi-threat jock. Ranked in the top ten players by the Nebraska State Racquetball Association, she also ran road races, participated in triathlons, and taught yoga. Eventually she realized that training took up too much time to have the career she wanted, so she cut her workouts back to a

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formative years, her path toward NIS was far from direct.

Starting out in college as a music major, Thomas wanted to be a violinist and had the opportunity to study with one of the instrument's masters. As hard as she worked and as talented as she was, she knew it was not an easy career to sustain. "When you have a job in the business world, most likely you'll keep it." She saw the concert performer's constant hustling for work as an especially daunting necessity. "You get a job and then you're back to square one looking for another one." Not to mention that there are a lot of virtuosos competing.

manageable level, exercising for physical fitness and mental acuity. In fact, she credits sports with teaching her two of her most valuable skills for business. She has developed, she says, "a certain mindset and focus crucial to winning." Perhaps that killer racquetball serve was as important to her success as Accounting 101.

Thomas sits on FISCA's Board of Directors and co-chairs the Payday Advance Internet Subcommittee. Once a month the group reviews state and federal law developments in order to establish its basic positions. The group monitors bills being introduced and passed throughout the country in addition to other relevant

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information individual operators need to be aware of. It then can relay the findings to operators who can decide what issues they need to focus on and make better-informed decisions.

Thomas believes that there are measures FISCA (and the whole industry) can take to better serve consumers. "We need to broaden and expand our horizons and take into account the entire secondary credit tier (e.g., wiring money out of the country, buying used cars, using debit cards) and meeting consumer needs in those areas." Most important, Thomas asserts, is that the industry become proactive rather than reactive. "Right now all we do is wait for bad news – a bill or an article – to come out and then we try to patch it up." She is frustrated that consumers won't consider payday advances because they are not informed enough about them. And she states that it's the responsibility of the industry to do so. "A lot of people don't understand that you can go out and educate the people about the product. You can make them understand how bank overdrafts can often top the cost of payday loans. Whether it's through advertising or outreach, there has to be a

menu of things that can be done in each state."

But even if FISCA implements ideal strategies starting this minute, Thomas says, unlike other businesses, she cannot project a five-year plan, or even a three-year plan. She has no set growth targets, although she is continuing to open stores and at this time has ten under leasehold arrangements. She isn't able to set a figure for revenues or net profits. "In this business, a five-year plan is not possible because of the unpredictability of the rapidly changing technology and legislation, the environment, even the competition – the banking industry. What they do affects quite a few business owners." She returns to and reinforces her belief that the industry needs to be proactive and get involved with legislators. "In order to have a future, we have to have that first." ■

Marcia Blitz, a freelance writer living in New York City, is a frequent contributor to Currents.

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