EXISTING LENDING LAW

CHAPTER 3

EXISTING PAYDAY LOANS
"Small Loans"

2-week payday loan
Up to $605
Up to 391% APR

6 in a row before 7-day cooling off period
Lender takes direct access to borrower’s checking account
• 3 checking account debit attempts allowed, for 3 possible overdraft charges
Exempt from 72% felony loan sharking cap

36% — ABOVE THIS LINE: FELONY LOAN SHARKING

EXISTING TRADITIONAL LOANS

|$50 pre-paid finance charge

21% | <$2,000
15% | $2,000 - $4,000
25% | >$4,000

72% — ABOVE THIS LINE: FELONY LOAN SHARKING

EXISTING PAYDAY LOANS
"Small Loans"

2-week payday loan
Up to $605
Up to 391% APR

6 in a row before 7-day cooling off period
Lender takes direct access to borrower’s checking account
• 3 checking account debit attempts allowed, for 3 possible overdraft charges
Exempt from 72% felony loan sharking cap

[REVISED]
CHAPTER 3

EXISTING PAYDAY LOANS
"Small Loans"

2-week payday loan
Up to $605
Up to 391% APR

6 in a row before 7-day cooling off period
Lender takes direct access to borrower’s checking account
• 3 checking account debit attempts allowed, for 3 possible overdraft charges
Exempt from 72% felony loan sharking cap

[NEW]
CHAPTER 7

EXISTING PAYDAY LOANS
"Small Loans"

2-week payday loan
Up to $605
Up to 391% APR

6 in a row before 7-day cooling off period
Lender takes direct access to borrower’s checking account
• 3 checking account debit attempts allowed, for 3 possible overdraft charges
Exempt from 72% felony loan sharking cap

[NEW]
CHAPTER 8

"Unsecured Installment Loans"

Requested by Security Finance

Loans 180 days and longer
Up to $4,000

99% interest
• PLUS $100 - $150 pre-paid finance charge
• PLUS “monthly installment account handling charge” — amount charged at lender’s discretion
• PLUS insurance and other charges

Allows unlimited flipping/renewal of loans

Appears to allow car title as security

72% — ABOVE THIS LINE: FELONY LOAN SHARKING

REVISED TRADITIONAL LOANS

|$150 pre-paid finance charge

36% | Flat, all balances

72% — ABOVE THIS LINE: FELONY LOAN SHARKING

LENDING LAW AFTER SB 613

CHAPTER 7

"Small-Dollar Loans"

Requested by Security Finance

Loans 180 days and longer
Up to $4,000

99% interest
• PLUS $100 - $150 pre-paid finance charge
• PLUS “monthly installment account handling charge” — amount charged at lender’s discretion
• PLUS insurance and other charges

Allows unlimited flipping/renewal of loans

Appears to allow car title as security

72% — ABOVE THIS LINE: FELONY LOAN SHARKING