



**PAYDAY LOANS—BITE DEEP**



What is a payday loan?	<ul style="list-style-type: none"> <li>• Small cash advance average about \$300</li> <li>• Borrower gives lender a postdated check to hold for a length of time in return for cash minus the lender's fees starting @ \$15 per \$100</li> </ul>
Who uses payday loans?	<ul style="list-style-type: none"> <li>• Lenders target low-income people, military personnel, &amp; those who live paycheck to paycheck</li> </ul>
What is required to get one?	<ul style="list-style-type: none"> <li>• Personal ID, a personal checking account, and proof of income</li> </ul>
How much do they cost?	<ul style="list-style-type: none"> <li>• An average \$325 loan costs the borrower \$793</li> <li>• APRs average range from 391% to 443%</li> </ul>
How big is the industry?	<ul style="list-style-type: none"> <li>• 24,803 offices were in operation by the end of 2005</li> <li>• \$4.6 billion in fees were generated by the end of 2005</li> </ul>
Predatory Loans?	<ul style="list-style-type: none"> <li>• 5 or more loans to the same borrower in a year.</li> <li>• An analysis of Washington State Data showed 89.7% of payday loans were in this category</li> </ul>
How are they regulated?	<ul style="list-style-type: none"> <li>• <b>State laws govern whether payday lending is permitted</b></li> <li>• 11 States ban payday lending</li> </ul>

The Center for Responsible Lending estimates predatory payday lending practices cost American families \$4.2 billion in 2005.

In 2005 the cost of Predatory Payday Lending In Montana was \$8.3 Million