



Your Fair Lending Advocate in Delaware!

# Consumer Loans you want to try and stay away from. Don't Give Anyone the Chance to Steal!

## CHECK CASHING

Maximum fees for check cashing is \$4.00 or 2% of the face value of the check, whichever is greater.

Face Value	Max. Fees
\$100	\$4 (2%=\$2)
\$200	\$4 (2%=\$4)
\$300	\$6
\$400	\$8
\$500	\$10
\$600	\$12
\$1000	\$20

**\*\*Cannot cash or advance a post-dated check\*\***

If your weekly paycheck is \$320. You cash it for \$6.40 each week. After 50 (\*6.4) weeks, one pay check went to the check casher!

## PAWN SHOPS

As of 2007, the number of pawnshops in the U.S. was estimated to be between 10,000 and 15,000. The amount loaned is determined as a percentage of the estimated resale value of the pledged collateral and, is typically between 25%-65%.

## RENT-TO-OWN

This \$6.8 billion industry operates out of 8,500 stores nationwide. 60% of rent-to-owners have incomes under \$25,000 and 75% of the merchandise is eventually re-possessed. Could your belongings become a statistic?

## REFUND ANTICIPATION LOANS (TAX REFUND LOANS)

See Brochure on Taxes.

*"Debt is the worst poverty."*

*-Thomas Fuller, English physician and scholar*

## PAYDAY LOANS

Let's work with an example:

- You write a post dated check for \$300.
- Lender gets a fee of \$50 and you get only \$250 in cash.
- Lender holds the check/authorization until your next payday.
- When loan is due, you have three choices:
  - Pay \$300 and get the \$300 check back;
  - Allow the deposit of the postdated \$300 check;
  - Pay a fee of \$50 to extend or "rollover" the loan.

**BEWARE:** You could end up with insufficient fund fees in addition to the fees you already paid the lender.

This is what makes the loan even more expensive. You could be pay paying \$50 every two weeks for one \$250 advance.

**\*\*If you do not pay, there could be a judgment against you. This judgment will harm your credit.\*\***

## COST OF BORROWING \$300 FOR 14 DAYS

	Application Fee	+ Interest	= COST
Payday Loans	\$75.00	\$0.00	<b>\$75.00</b>
Overdraft Protection	\$5.00	\$2.42	<b>\$7.42</b>
Cash Advance	\$2.00	\$2.13	<b>\$4.13</b>
Line of Credit	\$0.00	\$1.25	<b>\$1.25</b>

**AN AFFORDABLE ALTERNATIVE:** Loans Plus Program 1-888-936-4727  
Offered by West End Neighborhood House, this loan has an APR of 12-15% to be paid back in 4 affordable installments.

## To file a complaint about a payday lender:

Delaware Bank Commissioner's Office  
555 East Loockerman St. Suite 210, Dover, DE 19901  
Tel: 302-739-4235

# “A fool and his money are soon parted.”

Thomas Tusser, English Poet.

## Repossession

**Voluntary Repossession**-you return the car to the dealer who financed the loan

**Involuntary Repossession**-the “repo-guy” takes your car

**There may be a judgment against you for the difference between the loan and what you still owe.**

**The repossession and judgment WILL STAY on your credit report for a long time—whether it was voluntary or not**

## Lemon Law

**Covers:** New cars or cars under warranty registered by the DMV

**Covers:** defects that **substantially impair** the use/safety of the vehicle or a problem that has been corrected 4x/year.

You have 1 year to report.

You could have your car replaced or demand your car gets repurchased.

Contact the **Consumer Protection Unit at 1-800-220-5424.**

## Title Loans

One client borrowed \$200 against his car’s title. He promised to repay \$800 within 30 days! After refinancing the loan many times and paying a fee each time, he lost his car.

### Ask yourself why?

70% borrowers earn less than \$25,000 and 50% live pay check to pay check. The loan amount is much less than the value of the car. Each time you pay a fee to avoid losing your car, this loan gets more expensive. This can drive you into financial ruin.

## Why would you go to any of the places mentioned in this brochure?

Because I have bad credit. You know you can fix that.

Because it is easy to borrow money from any of these places. There is always a cost associated with conveniences. For example, if you go to an ATM machine which will charge you a foreign transaction fee and another ATM 3 blocks away won’t. You are just paying extra for the convenience.

Because the lenders are friendly and treat you nice. We agree. But, what happens when you are unable to pay and collections begin?

Because they don’t report to the credit bureaus. True. But what happens when the judgment is reported on your credit?

Because when times are tough, they are the only ones who have bailed me out. Again, unfortunately, this is true. But, isn’t it counterintuitive that the poorer you are the more you have to pay for everything?

## PUBLIC STORAGE

Legal Notices

### Public Auction

A public auction will be held on  
Sunday September 30, 2007  
at 2:00 pm at

Stow Away, 601 North Church Street,  
Wilmington, DE 19801

to sell furniture and household goods  
for nonpayment of rent  
in the following storage units:

**6 BB Over Drafter**  
**17BC Repeat Borrower**  
**33C Pawn Borrower**

- Are your possessions worth the monthly cost of storing them?
- How long do you need to store?
- What if you lose them in an auction?