

EXISTING LENDING LAW

LENDING LAW UNDER SB 352

Chapter 3
Consumer Loans

Chapter 3
Supervised Loans

Chapter 7
Small Loans

Chapter 3 [REVISED]
Consumer Loans

Chapter 3 [NEW]
Supervised Loans

Chapter 7 [NO CHANGE]
Small Loans

2-week payday loan
Up to \$660
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

Installment loan
3-24 months
Under \$2500
Interest Rate
36%
Fees
13% monthly maintenance fee of original balance
\$50 underwriting fee if loan is over \$400
Total fees (over the term of the loan):
75% if \$1500 or lower
100% if over \$1500
This is NOT the APR
Example on \$660 loan:
▪ 3 months, 239%/297% APR*
▪ 4 months, 246%/294% APR
▪ 12 months, 101%/118% APR
▪ 24 months, 52%/61% APR
3 checking account debit attempts allowed, for 3 possible overdraft charges (if lender takes direct access)



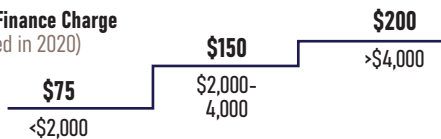
DOES NOT ELIMINATE PAYDAY LENDING

These new loans would be exempted from the 72% Felony Loan Sharking cap

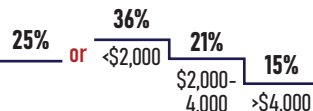
*Actual APR dependent on Department of Financial Institutions' interpretation of underwriting fee

72% - ABOVE THIS LINE: FELONY LOAN SHARKING

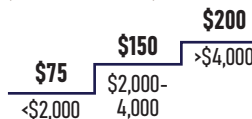
Prepaid Finance Charge
(increased in 2020)



Interest Rate - 25%



Prepaid Finance Charge
(increased in 2020)



Interest Rate - 36%

Eliminates supervised loan product under existing law