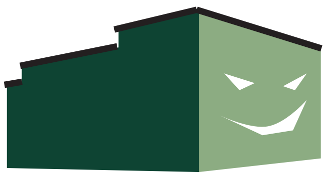
Payday Loans

THE BAD and THE UGLY

Payday loans are low-dollar loans ranging from a few hundred to a few thousand dollars. What these loans have in common is unaffordable payments that lenders can reach into borrowers' bank accounts to grab. The name "payday loan" comes from the fact that payments are generally due on borrowers' next pay day.



The vicious cycle of debt is not a side effect of payday lending: it is the business model —

a DEBT TRAP by design.

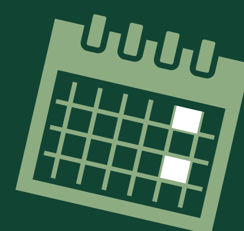
Overall, 75% of all fees to payday lenders are generated by borrowers with more than 10 loans a year

More than ¾

of all payday loans are taken out within

TWO WEEKS

of a previous payday loan



A typical payday loan of $325, flipped eight times:

Original loan $325

Interest $468

Repayment amount $793

Nearly **1** in **4** borrowers

report some form of public assistance, retirement funds, or other benefits as an income source.

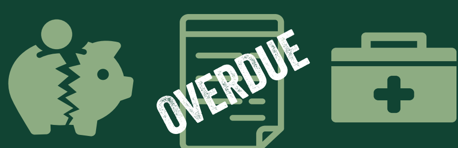
STOP THE DEBT TRAP

#stopthedebttrap

Call Congress. Tell them to stand with people, not payday predators

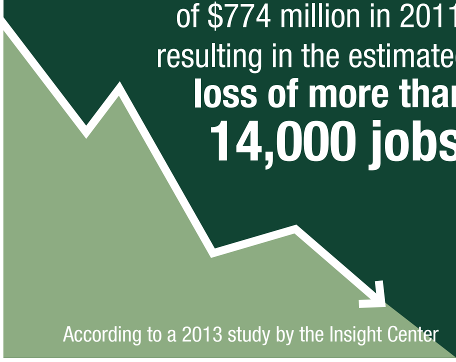
The average payday borrower has **9 TRANSACTIONS A YEAR**

Payday borrowers are more likely to experience **overdraft fees**, **bankruptcy**, **delinquencies** on other bills, and **delayed medical care.**



Predatory lenders disproportionately target **low-income communities** and **communities of color**.

The payday lending industry had a negative impact of $774 million in 2011, resulting in the estimated **loss of more than 14,000 jobs**.



According to a 2013 study by the Insight Center

Nationally, there are more than **two payday storefronts for every Starbucks**