



BEWARE OF MONEY TRAPS THAT KEEP YOU BROKE

PAYDAY LOANS:

- Average interest rate on payday loans is over 300% – average credit card interest is 21%.
- “Rolling Over” the loan increases the annual interest rate and fees paid can add up quickly to be more than the amount actually borrowed.

PAWN SHOPS:

- Lends less than half of the value of an item.
- Interest rates are as high as 25 percent per month or 300 percent per year.
- Failure to pay the interest and redeem the item, means the item will be sold and the pawn shop will keep the money.

REFUND ANTICIPATION LOANS:

- Average fee of \$175 to complete tax forms.
- Interest rate as high as 2000% on the loan.

CAR TITLE LOANS:

- Loans up 1/3 the value your car (for example if your car is worth \$2100 you may receive a loan for \$700).
- Failure to pay results in the business repossessing your car and selling it at auction.

RENT TO OWN:

- Cost 3-4 times more than paying cash.
- More than twice as much as a regular pay plan.
- Store is able to repossess items if payment is not made even if you have made more than half of the payments.



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