

INSTALLMENT LOANS

WILL STATES PROTECT BORROWERS FROM A NEW WAVE OF PREDATORY LENDING?

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APPENDIX A

FULL APR TABLES FOR SIX-MONTH \$500 LOAN

TABLE A-1
**States that Do Not Cap Interest Rates
 for Six-Month \$500 Installment Loan**

STATE	DOES STATUTE PROHIBIT UNCONSCIONABILITY?	STATE	DOES STATUTE PROHIBIT UNCONSCIONABILITY?
Delaware	No	Ohio ^{1,2}	No
Idaho	Yes	South Dakota	No
Missouri	No	Utah	Yes
New Mexico	Yes (state deceptive practices statute)	Wisconsin	Yes

¹ For a six-month \$500 loan, Ohio's Small Loan Act would limit the full APR to 39%, and its Second Mortgage Loan Act would limit it to 43%. For a two-year \$2000 loan, the allowable full APRs would be 28% and 31%. However, these caps are ineffective in Ohio because the state allows credit services organizations to charge an additional—uncapped—fee for arranging a loan.

² Ohio's Consumer Sales Practices Act, Ohio Rev. Code § 1345.03, includes a prohibition of unconscionability and applies to lenders making loans under the state's payday loan act, but most other non-mortgage lenders are exempt. Ohio Rev. Code § 1345.01(A) (exempting financial institutions and dealers in intangibles as defined by Ohio Rev. Code § 5725.01).

TABLE A-2
**States that Allow Full APRs of More Than 36%
on Six-Month \$500 Installment Loan**

STATE	FULL APR ALLOWED	STATE	FULL APR ALLOWED
Alabama	94%	Michigan	43%
Arizona	54%	Minnesota ³	51%
California	45%	Mississippi	52%
Colorado ¹	90% (Consumer Credit Code)	Nebraska	48%
Florida	48%	Nevada	40%
Georgia	61%	Oklahoma	116%
Illinois ²	99% (Consumer Installment Loan Law)	South Carolina	72%
Indiana	71%	Tennessee	94%
Kansas	43%	Texas ⁴	93%
Kentucky	47%	Washington	39%
Louisiana	85%	West Virginia ⁵	38%
Massachusetts	37%		

¹ In addition, Colorado’s payday installment loan statute allows APRs up to 180% for payday loans up to \$500, as discussed in Section I(K)(1).

² In addition, the Illinois payday installment loan statute allows APRs up to 435% for payday loans with terms up to 180 days, as discussed in Section I(K)(1).

³ Minnesota’s short-term loan law may allow APRs as high as 89% on a six-month loan, but the loan would require a contorted payment schedule.

⁴ Texas also allows a credit services organization to arrange a loan with a term of up to 180 days, and to charge an additional fee that adds considerably to the APR.

⁵ West Virginia also allows a “reasonable documentary charge,” which would increase this APR.

TABLE A-3
**States that Cap Full APR
for Six-Month \$500 Loan at 36% or Less**

STATE	FULL APR ALLOWED	STATE	FULL APR ALLOWED
Alaska	36%	New Jersey	30%
Arkansas	17%	New York	25%
Connecticut	28%	North Carolina	16%
District of Columbia	27%	North Dakota	28%
Hawaii	25%	Oregon ²	36%
Iowa	36%	Pennsylvania	27%
Maine	30%	Rhode Island ³	35%
Maryland	33%	Vermont	24%
Montana	36%	Virginia	36%
New Hampshire ¹	36%	Wyoming	36%

¹ New Hampshire also allows an application or participation fee.

² Oregon also allows lenders to charge “other reasonable and bona fide fees, expenses or damages, subject to oversight and regulation by the Department of Consumer and Business Services.” Or. Rev. Stat. § 725.340(1)(b).

³ Rhode Island also allows “other customary and reasonable costs incident to the closing, supervision, and collection of loans in this state.”