

INSTALLMENT LOANS

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

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APPENDIX B

FULL APR TABLES FOR TWO-YEAR \$2000 LOAN

TABLE B-1

States that Do Not Cap Interest Rates for Two-Year \$2000 Installment Loan

STATE	LOANS FOR WHICH THERE IS NO CAP	DOES STATUTE PROHIBIT UNCONSCIONABILITY?
Alabama	Loans of \$2000 or more	Yes
Delaware	All loans	No
Idaho	All loans	Yes
Missouri	All loans	No
New Mexico	All loans	Yes (state deceptive practices statute)
North Dakota	Loans of more than \$1000	No
Ohio ^{1,2}	All loans	No
South Carolina	Loans of more than \$600	Yes
South Dakota	All loans	No
Utah	All loans	Yes
Wisconsin	All loans	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 B-2

Full APRs Allowed for 2-Year \$2000 Loan In States that Cap Finance Charges

STATE	FULL APR ALLOWED	STATE	FULL APR ALLOWED
Alaska	31%	Minnesota	31%
Arizona	41%	Mississippi	39%
Arkansas	17%	Montana	36%
California	25%	Nebraska	30%
Colorado	31%	Nevada	40%
Connecticut	23%	New Hampshire ¹	36%
District of Columbia	25%	New Jersey	30%
Florida	31%	New York	25%
Georgia	32%	North Carolina	31%
Hawaii	31%	Oklahoma	27%
Illinois	79%	Oregon ²	36%
Indiana	39%	Pennsylvania	24%
Iowa	31%	Rhode Island ³	29%
Kansas	32%	Tennessee	41%
Kentucky	39%	Texas	35%
Louisiana	38%	Vermont	21%
Maine	30%	Virginia	36%
Maryland	30%	Washington	29%
Massachusetts	24%	West Virginia	33%
Michigan	30%	Wyoming	31%

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.”