

# PREDATORY INSTALLMENT LENDING IN 2017

## STATES BATTLE TO RESTRAIN HIGH-COST LOANS

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### APPENDIX C

#### TABLES SHOWING CHARGES FOR CASH ADVANCES

TABLE C-1

**States that Do Not Place Numerical Cap  
 on Interest Rates for Open-End Credit: 2017**

STATE	DOES STATUTE PROHIBIT UNCONSCIONABILITY?
Alabama (for loans of \$2000 or more)	Yes
Delaware	No
Idaho	Yes
Illinois	No
Iowa	Yes
Kansas	Yes
Maine	Yes
Missouri	No
New Mexico <sup>1</sup>	Yes (state deceptive practices statute)
Ohio <sup>2</sup>	No
Rhode Island	No
South Carolina (for loans of more than \$600)	Yes
Utah	Yes
Virginia	No
Wisconsin	Yes

For an explanation of unconscionability, see Section II(A)(6) of our 2015 report and National Consumer Law Center, Consumer Credit Regulation § 10.2.6 (2d ed. 2015), updated at <http://library.nclc.org/CCR>.

<sup>1</sup> New Mexico has imposed a 175% cap, calculated pursuant to the federal Truth in Lending Act, as of Jan. 1, 2018. N.M. Stat. Ann. §§ 58-7-7(D), 58-15-17(J).

<sup>2</sup> Ohio's rate caps are ineffective because they can be circumvented through credit services organizations. See Section I(K)(3) of our 2015 report.

TABLE C-2  
**States that Cap Interest Rates but Not All Fees  
for Open-End Credit: 2017**

STATE	INTEREST RATE ALLOWED	FEE PERMITTED BY STATUTE FOR WHICH NO NUMERICAL CAP IS STATED	DOES STATUTE PROHIBIT UNREASONABLE OR UNCONSCIONABLE FEES?
California	split rate ranging from 30% on first \$225 to 12% on amount over \$1650	Participation fee	Yes
Colorado	21%	Annual fee	Yes
Hawaii	24%	Participation fees imposed on an annual, periodic, or other basis	No
Indiana	36%	Annual fee	Yes
Massachusetts	18%	Annual fee	Yes (deceptive practices statute)
Michigan Regulatory Loan Act <sup>1</sup>	25%	Annual fee	Yes
Mississippi	21%	Any fees other than interest <sup>2</sup>	No
Oklahoma	27% on first \$2910	Annual or membership fees, transaction fees, cash advance fees	Yes
South Carolina (for loans of \$600 or less)	18%	Annual fee	Yes
Washington	25%	Annual fee	No
West Virginia	31% plus loan processing fee of 2% of amount financed	Annual fee	Yes
Wyoming	36% on first \$1000, 21% on remainder	Annual fee for credit card	Yes

All of the states shown in this table allow the lender to charge at least one fee for which the statute does not set a numerical cap. California, Colorado, Indiana, and West Virginia also allow some fees in amounts set by the statute. Those fees are not shown on this table, but are included in the calculation of the rates shown on Maps 3 and 4.

For an explanation of unconscionability, see Section II(A)(6) of our 2015 report and National Consumer Law Center, Consumer Credit Regulation § 10.2.6 (2d ed. 2015), *updated at* [www.nclc.org/library](http://www.nclc.org/library).

<sup>1</sup> A second law, Mich. Comp. Laws §§ 493.101 to 493.114, allows an interest rate of 18% plus an annual fee. The law does not place a cap on the annual fee or require that it be reasonable.

<sup>2</sup> Mississippi's lending law, Miss. Code § 75-17-19(6), is ambiguous about what charges and fees can be imposed. It appears that a non-bank lender cannot impose an annual fee, because annual fees are specifically addressed by § 75-19-17(2). Fees that would undermine the limit in § 75-17-19(1) on the periodic rate might also be at least implicitly prohibited.

TABLE C-3  
**States that Set Numerical Caps on Rates and Fees  
for Open-End Credit: 2017**

STATE	INTEREST RATE CAP	CAP ON LOAN FEES	FULL APR FOR \$500 6-MONTH CASH ADVANCE	FULL APR FOR \$2000 2-YEAR CASH ADVANCE
Alabama (cap applies only to loans of less than \$2000)	21% on first \$750, 18% on remainder	Surcharge of 6% of amount financed	39%	no cap
Alaska	36% on first \$850, 24% on remainder	No fees allowed	36%	31%
Arizona	36% on first \$3000	5% of principal, capped at \$150	54%	41%
Connecticut	36%	\$50 annual fee	36%	36%
Florida	30% on first \$3000	\$25 investigation fee; \$25 annual fee on each anniversary date	48%	34%
Louisiana (revolving loan account)	18%	\$50 origination fee plus \$20 document fee	85%	39%
Maryland	24%	Interest plus fees cannot exceed 33%	33%	33%
Minnesota	33% on first \$1125, 19% on remainder	\$50 annual fee, \$30 cash advance fee	89%	36%
Nebraska	24% on first \$1000, 21% on remainder	7% of first \$2000 and 5% of remainder, or \$500, whichever is less	48%	30%
Nevada	40%	\$20 annual fee	54%	42%
New Hampshire	36%	one \$100 application fee and one \$100 participation fee per year	170%	53%
New Jersey	30%	\$50 annual fee	65%	35%
New York	25%	Must fall within 25% cap	25%	25%
North Carolina <sup>1</sup>	18%	No fees allowed	18%	18%
Oregon <sup>2</sup>	36% (or a discount window rate plus 30 points)	No fees allowed	36%	36%
Pennsylvania	24%	\$50 annual fee	59%	29%
South Dakota	36%	Must fall within 36% cap	36%	36%
Tennessee	279%	None	279%	279%

STATE	INTEREST RATE CAP	CAP ON LOAN FEES	FULL APR FOR \$500 6-MONTH CASH ADVANCE	FULL APR FOR \$2000 2-YEAR CASH ADVANCE
Texas	21%	\$50 annual fee; plus cash advance fee of \$2 or 2% of advance, whichever is greater	62%	28%

The fee-inclusive or “full” APRs in this table take into account all fees that are required as a condition of the extension of credit, including origination fees, periodic fees, and cash advance fees, but not post-transaction charges such as late fees and returned check fees. Arkansas, the District of Columbia, Georgia, Kentucky, Montana, North Dakota, and Vermont are not included in this or Tables C-2 or C-3 because they do not have any specific statutory provisions for open-end credit by non-banks. In those states, open-end credit may fall under the closed-end cap or the state may not permit open-end lending by non-bank lenders.

<sup>1</sup> North Carolina authorizes a \$24 annual fee for purchase money credit, and late fees for any open-end credit, but is silent as to any authorization for origination fees for cash advances. N.C. Gen. Stat. § 24-11(a), (d1).

<sup>2</sup> 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).