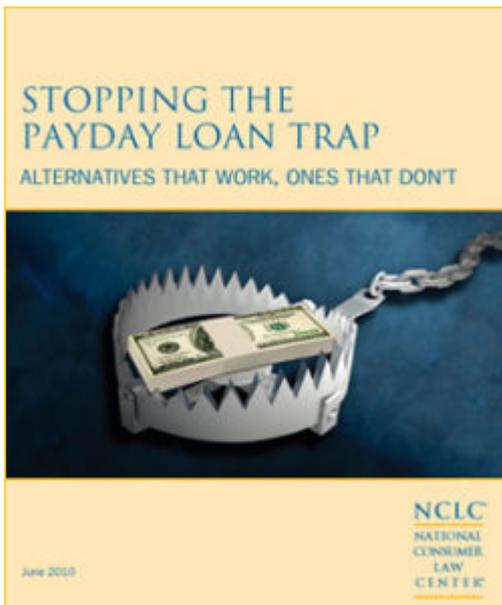


Stopping the Payday Loan Trap

Alternatives that Work, Ones that Don't

Report Exposes Expense and Pitfalls of Some Payday 'Alternatives'.

NCLC researchers reviewed hundreds of small loans. Our research found that some loans offered by banks and credit unions as "alternatives" to high-cost, short-term payday loans may instead plunge consumers into a costly and nearly inescapable debt cycle - just like payday loans! Affordable alternatives are available for consumers who seek them out.



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Criteria for Genuine and Safe Payday Loan Alternatives

- Annual percentage rates, including fees, no higher than 36 percent;
- Terms of at least 90 days,
- Repayments in installments, and

- No check-holding or electronic access to the consumer's bank account

Report Highlights

- Ratings of small loans offered throughout the U.S.
- Myths about payday loan alternatives
- Criteria for genuine payday loan alternatives
- History of the 36% rate cap