

# A LARGER AND LONGER DEBT TRAP?

## ANALYSIS OF STATES' APR CAPS FOR A \$10,000 5-YEAR INSTALLMENT LOAN

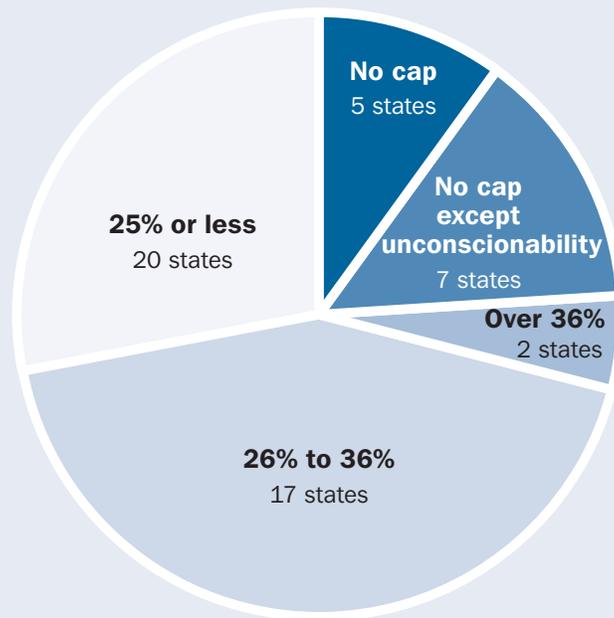
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### CHARTS

CHART 1  
**State Maximum APRs Allowed for \$10,000 Five-Year Loan**  
**Showing Broad Consensus for 36% or Less**

*Showing the maximum APRs allowed for non-bank lenders*



- No stated cap on finance charges (5 states: DE, MO, ND, OH, VA)
- No numerical cap, but prohibits unconscionability (7 states: AL, CA, ID, NM, SC, UT, WI)
- Allowable APR over 36% (2 states: GA, NV)
- Allowable APR between 26% and 36% (17 states: AZ, IL, IA, LA, MI, MS, MT, NH, NJ, NC, OR, PA, SD, TN, TX, WA, WV)
- Allowable APR of 25% or less (20 states: AK, AR, CO, CT, DC, FL, HI, IN, KS, KY, MD, ME, MA, MN, NE, NY, OK, RI, VT, WY)

*Notes:* Ohio's statutory caps are currently ineffective for a five-year, \$10,000 loan because they can be evaded by use of a credit services organization. Effective in 2019, a new law will close this loophole for certain consumer loans. Delaware's lending laws do not have a statutory prohibition of unconscionability, but at least one court has applied the common law doctrine of unconscionability to a high-cost loan. See Appendix B for other details regarding the APRs shown on this map, and other notes and caveats.

CHART 2

**Maximum APRs in States with Caps for a \$10,000 Five-Year Loan  
Showing Median APR Cap of 25%**

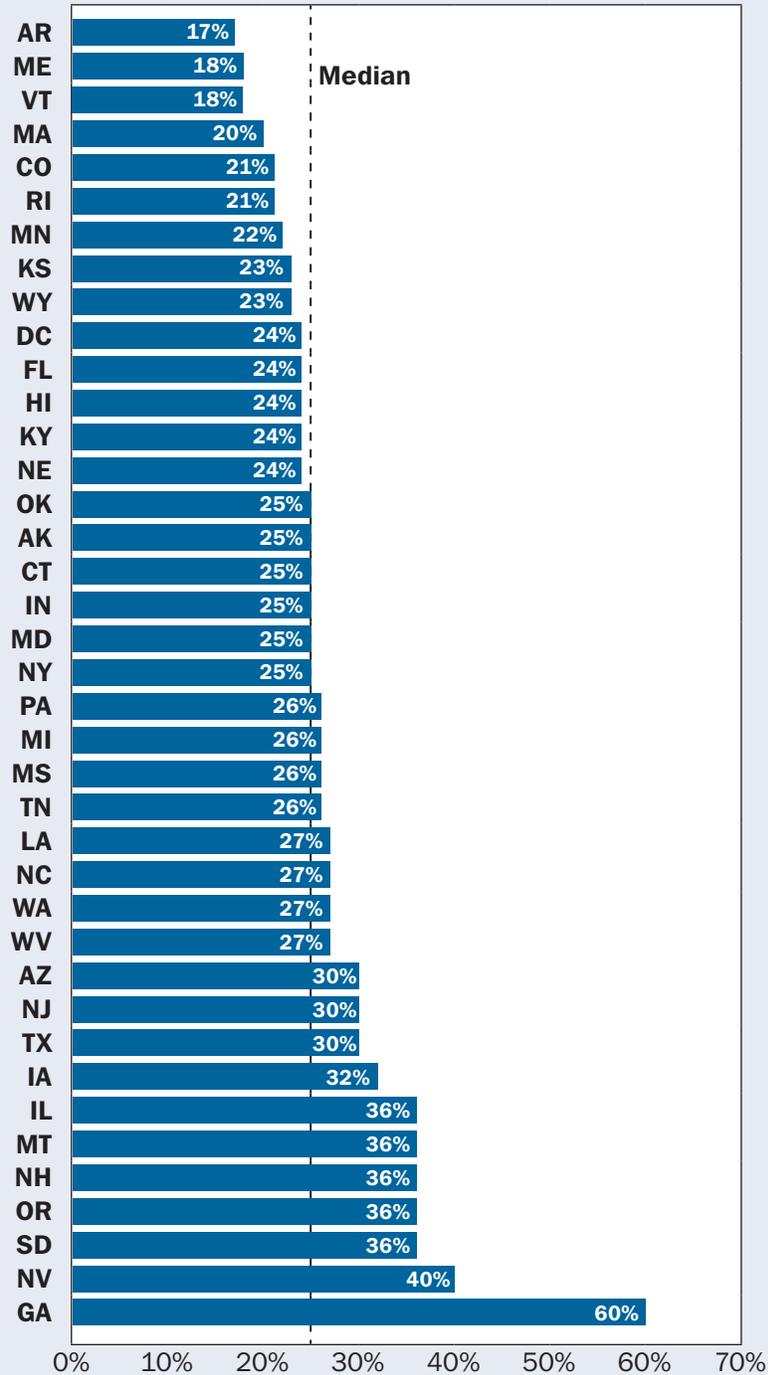
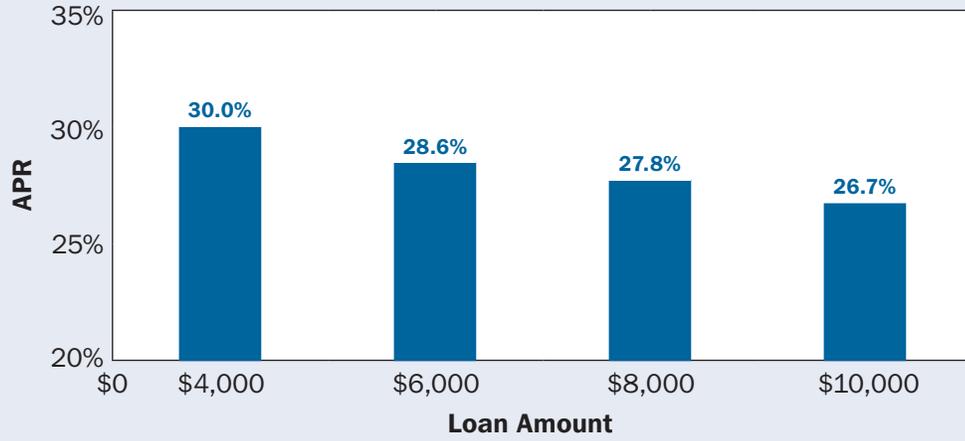


CHART 3

**APRs Produced by Tiered Rates for 5-Year Loan of Varying Amounts**

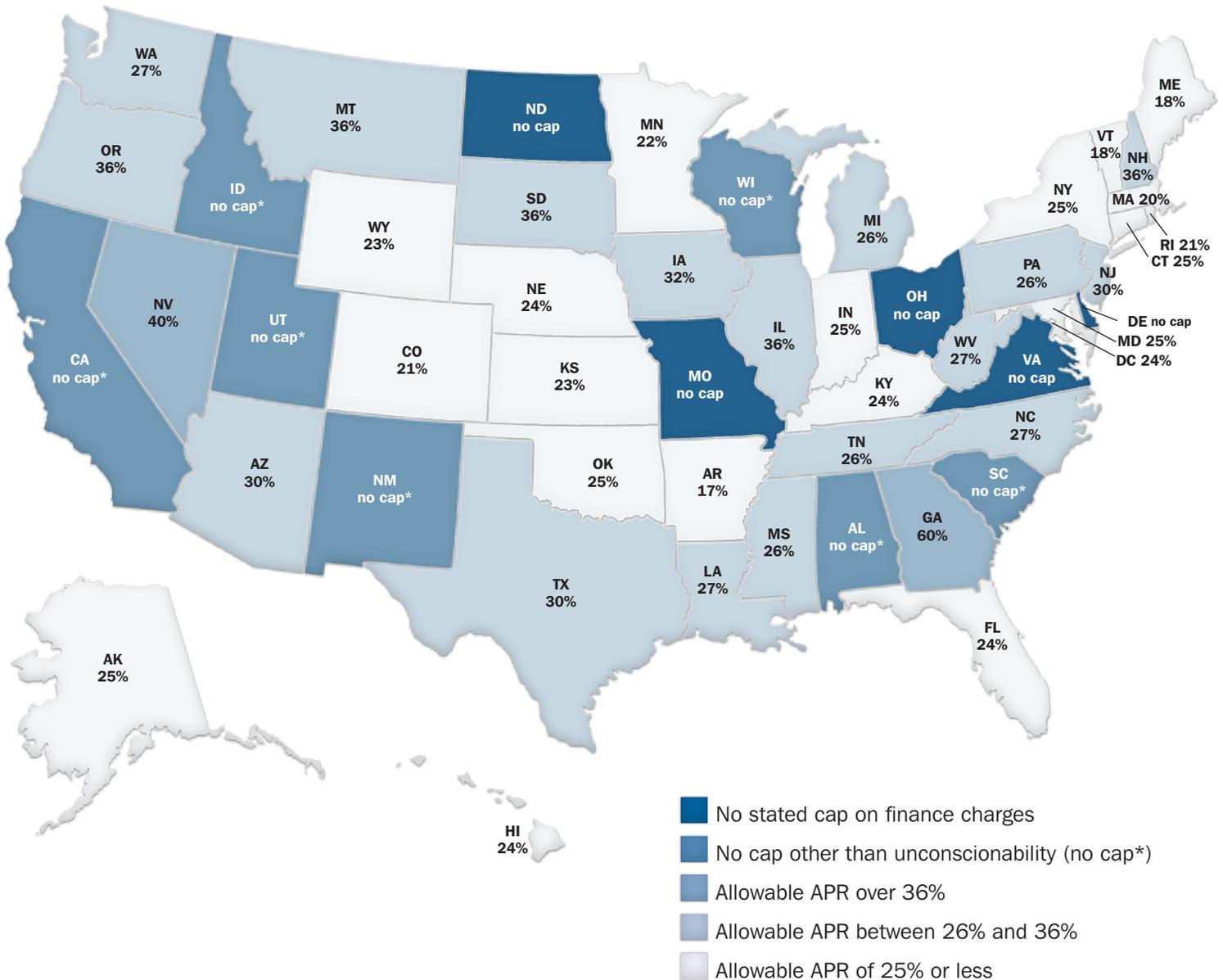
*Under state law that allows 30% on first \$4000,  
24% on next \$4000, and 18% on remainder.*



# MAP

## APRs Allowed for \$10,000 Five-Year Loan by State

Showing the maximum APRs allowed for non-bank lenders



Notes: Ohio's statutory caps are currently ineffective for a five-year, \$10,000 loan because they can be evaded by use of a credit services organization. Effective in 2019, a new law will close this loophole for certain consumer loans. Delaware's lending laws do not have a statutory prohibition of unconscionability, but at least one court has applied the common law doctrine of unconscionability to a high-cost loan. See Appendix B for other details regarding the APRs shown on this map, and other notes and caveats.

# TABLES

TABLE 1

## How the APR Affects the Monthly Payment Amount and the Total to Be Repaid on a \$10,000 Five-Year Loan

APR	MONTHLY PAYMENT	TOTAL REPAYMENT AMOUNT
12%	\$224.44	\$13,466.64
18%	\$253.93	\$15,236.06
24%	\$287.67	\$17,261.21
30%	\$323.53	\$19,411.80
36%	\$361.32	\$21,679.20
60%	\$528.27	\$31,656.20
100%	\$840.24	\$50,414.40

APPENDIX TABLE

**Comparison Between State APR Caps for \$10,000 Five-Year Loan  
and \$2,000 Two-Year Loan**

*Higher APR is noted in red.*

STATE	APR CAP FOR \$10000 5-YEAR LOAN	APR CAP FOR \$2000 2-YEAR LOAN	STATE	APR CAP FOR \$10000 5-YEAR LOAN	APR CAP FOR \$2000 2-YEAR LOAN
AK	25%	31%	MT	36%	36%
AL	No cap*	No cap*	NC	27%	31%
AR	17%	17%	ND	No cap	No cap
AZ	30%	41%	NE	24%	30%
CA	No cap*	25%	NH	36%	36%
CO	21%	31%	NJ	30%	30%
CT	25%	36%	NM	No cap*	175%
DC	24%	25%	NV	40%	40%
DE	No cap	No cap	NY	25%	25%
FL	24%	31%	OH	No cap	35%
GA	60%	32%	OK	25%	27%
HI	24%	31%	OR	36%	36%
ID	No cap*	No cap*	PA	26%	24%
IL	36%	80%	RI	21%	29%
IN	25%	39%	SC	No cap*	No cap*
IA	32%	36%	SD	36%	36%
KS	23%	32%	TN	26%	41%
KY	24%	39%	TX	30%	35%
LA	27%	38%	UT	No cap*	No cap*
MA	20%	24%	VA	No cap	36%
ME	18%	30%	VT	18%	21%
MD	25%	30%	WA	27%	29%
MI	26%	30%	WI	No cap*	No cap*
MN	22%	31%	WV	27%	33%
MO	No cap	No cap	WY	23%	31%
MS	26%	59%			

\*No cap except unconscionability