



Docket No. CFPB-2016-0025

September 29, 2016

Monica Jackson  
Office of the Executive Secretary  
Consumer Financial Protection Bureau  
1700 G Street, NW  
Washington, DC 20552

Dear Director Cordray:

The Virginia Poverty Law Center is writing in response to the Consumer Financial Protection Bureau's request for comment on its proposed rule for Payday, Vehicle Title, and Certain High-Cost Installment Loans.

For several years, we have been helping people that call our predatory loan hotline and we are attaching a summary of what over 70 people have told us about their experience with payday loans, car title loans, line of credit and internet loans. These stories represent only a fraction of the hundreds of calls we have gotten over the years. While every person's story is different, here are some of the main things we hear from the hundreds of callers we have talked with:

- Borrowers are extremely vulnerable<sup>1</sup>
- Many of these lenders manipulate vulnerable borrowers<sup>2</sup>
- Lenders get paid by intimidation<sup>3</sup>

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<sup>1</sup> "My hours at work were cut and I got a notice that my electricity was going to be cut-off;"  
"My husband died from cancer and I couldn't pay the hospital bill"

<sup>2</sup> "People will do anything in their time of need, and these companies take advantage of you when you are vulnerable"

<sup>3</sup> "When we got behind they called several times a day to tell us they were going to take our only car"; "They just hound you repeatedly. My supervisor (at work) got a call from someone who said I committed check fraud."; "I get multiple calls a day telling me I will be arrested if I don't pay"



But the one thing we hear from every single caller is this: ***The loan is unaffordable.***

- “The payments were almost double what I expected, I was overwhelmed and ended up taking out more loans to pay off the previous loan.”
- “We cannot get ahead because each payment mostly goes to interest.”
- “We missed one payment and the interest that built up made it impossible for us to get the money together to save our car.”
- “I realized I was in trouble. They told me they could simply extend my loan for a small fee. I later learned that this was the way they would keep me in their cycle.”

One example from Virginia highlights the unaffordability of these loans. Car title lenders must report to the Virginia regulator how many borrowers have not made a payment for 60 days on their one-year loan. In 2015, the car title lenders reported that 51,370 borrowers had failed to make a payment for 60 days.<sup>4</sup> That is 32% of the loans made that year! Compare that to the delinquency rate for credit cards (1.24%) and unsecured personal loans (2.42%).<sup>5</sup>

We believe that the loans’ affordability is the most important reform addressed in the proposed rule.<sup>6</sup> The rule should be strengthened to make sure that borrowers can repay the loan and still manage their other expenses or borrowers will continue to be trapped in lengthy debt traps and be subject to harassment, lawsuits, wage garnishment and destruction

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<sup>4</sup> See Virginia Bureau of Financial Institutions 2015 Annual Report on Motor Vehicle Title Lenders at <https://www.scc.virginia.gov/bfi/annual/ar04-15.pdf>.

<sup>5</sup> <http://www.transunioninsights.com/IIR/>

<sup>6</sup> A return to a reasonable interest rate cap like we had in Virginia until the legislature started making exceptions for payday and car title lenders is likely the most important reform but CFPB cannot address that by law.





of their credit standing.<sup>7</sup> In Virginia, payday lenders have mostly moved to longer term loans to avoid regulation. In our experience, the lenders will change their product according to how they can best avoid regulation so we are opposed to exempting up to 6 short-term loans per year from the ability to repay standard. As the attached stories demonstrate, it isn't necessarily the amount of the loan or the length of the loan that causes the harm, it is all the problems that result from not being about to repay it and move on.<sup>8</sup>

We are also opposed to that part of the proposed rule that allows lenders to demonstrate affordability through comparison of default rates with other high-cost lenders. As the attached stories demonstrate, many of these lenders are adept at using pressure to get payments from borrowers.

Much of the harassment by lenders stems from their understanding that in order to get paid they must become a higher priority to the borrower than paying rent, utilities and even buying food.<sup>9</sup>

They can create lower default rates by pressuring the borrowers instead of offering affordable loans.

### **Line of Credit loans**

VPLC is also concerned about a growing type of loan in Virginia: line of credit loans. We have attached several stories from borrowers caught up in

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<sup>7</sup> "It's to the point where I know I'll never be able to dig myself out. There are things my family needs that this money could be going towards."

<sup>8</sup> "I kept paying and paying and paying on it, but the balance never went down."

"I took a small amount out, \$300, and while I was able to pay it off, I fell further behind on bills. I chose to pay off the car title loan because I knew I would lose my car if I didn't. I felt trapped, though, so I took out another loan from the same company."

<sup>9</sup> "I tried to work with them to make affordable payments, but they don't want to work with you. They terrorize"; "They would not work with me when I told them I lost my job – they just told me to make my payments or go to jail. I tried to make partial payments but they would not accept them. I was just trying to keep a roof over my son's head." just told me to make my payments or go to jail. I tried to make partial payments but they would not accept them. I was just trying to keep a roof over my son's head."



these loans which are alleged to be open-end credit. We are concerned that it is unclear whether these loans are covered by the proposed rule. There are at least two places in the proposed Rule that state that line of credit loans are not covered and even though that probably is a reference to bank overdraft lines of credit loans, it should be clarified for the benefit of borrowers and lenders. In Virginia, many payday lenders switched to these types of loans because they did not like the changes made to the Virginia Payday Loan Act in 2008 so we know that lenders will switch to this type of loan to avoid regulation.

Thank you for the opportunity to comment.

Sincerely,

A handwritten signature in black ink, appearing to read 'James W. Speer', with a long horizontal line extending to the right.

James W. Speer  
Executive Director





## Virginians caught in the Debt Trap tell their story

**“I hope this story helps make a difference so that other people don’t get taken advantage of like I did. I would go hungry before I took out another loan like this.”**

### 1. LYNNETTE (ROCKY MOUNT, VA)

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I needed a little extra money to catch up on bills, and because my car was paid off I thought a car title loan from Check Into Cash would help me out. I took a small amount out, \$300, and while I was able to pay it off, I fell further behind on bills. I chose to pay off the car title loan because I knew I would lose my car if I didn’t. I felt trapped, though, so I took out another loan from the same company. I had surgery around this time, and even though Check Into Cash knew I was on pain medication, they had me come in to make a payment and convinced me to refinance my loan for a larger amount. They rushed me through the application, and I thought the payments would remain the same, but they were much higher.

I let them know I was doing everything I could to make payments. I made a partial payment, but ten days later I woke up to go to a post-surgery appointment and my car had been taken. They didn’t give me any notice. Looking back on it, the more I took out, the worse it got. I hope this story helps make a difference so that other people don’t get taken advantage of like I did. I would go hungry before I took out another loan like this.

### 2. C.B. (GLOUCESTER, VA)

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I needed a little extra money around the holidays so I took out a \$300 internet loan. My payments quickly became over \$100 a month, even though I borrowed a small amount. Before I agreed to anything, I checked the payment plan to make sure I knew what they would be charging me every month. They told me it would be \$75/month for six months. The second payment was almost double that amount, and they would not reduce it for me even though they weren’t going by the payment plan I agreed to.

After I did some research, I found out that these kinds of loans are illegal and I was able to stop them from taking money directly out of my bank, but then the phone calls started. They told me they were going to come “get me” under federal law and I would have to pay \$6,000 plus court fees. They call you and put the fear of God into you, and I hope this rule stops them from doing it to other people.

### 3. R. Z. (DINWIDDIE, VA)

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I had fallen behind on rent, and to try to catch up on my bills I got a line of credit from a company called Cash 2-U. My only source of income was my disability check, and I use it to take



care of myself and my grandchild. Even though they knew I had a limited amount of money every month, Cash 2-U took money straight out of my bank account without my knowledge. They even sent me a bill for the rest of what I owed after the bank account was empty. I didn't find out about this until I tried to pay my utility bills and didn't have enough money for them.

I received multiple calls a day, and they made me feel like something awful would happen to me if I didn't call them back or come pay. I was desperate and in over my head. I am still behind on my bills because of this, and I haven't finished paying the loan back.

#### 4. ANONYMOUS (RICHMOND, VA)

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When I was behind on my bills I thought getting an internet loan would help me get back on my feet. It only put me further behind because the payments were so high. I took a loan for \$850 out, and I was making about \$800 every two weeks at the time. The money my lender took out of my account on my payday was so much that I would have to borrow more. I finally learned that this was an illegal loan in my state because the lender is not licensed here. I ended up having to close my bank account to stop them from taking my money illegally, but then they started calling me almost daily.

By that time, they had taken over \$2,700 from my account, and I was further behind on my bills than when I first took the loan out. They kept telling me I still owed them much more, even though they knew the loan was illegal. I had to get a lawyer to help me through this process.

#### 5. CYNTHIA (RICHMOND, VA)

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I am disabled, and my husband lost his job after he had some medical issues. We have always been able to support ourselves and our four children, but during that short time period when he wasn't working, it was hard to make ends meet. We still had to put food on the table, and my husband wanted to look into getting a small car title loan. So we went, and the woman working there said she could get us set up quickly. All she did was look at the car, take some pictures, and looked up its value. She didn't even ask to see income verification. She offered us a \$500 loan, and I wish I had known more before I signed.

Our payment was \$123 a month. I went and paid that amount for four months, and by that time my husband had gotten a job again. Since I had paid close to what we borrowed, I thought we should be close to paying the whole thing off. When I went in and said that's what I wanted to do, I was told by the employee that the outstanding balance was over \$600. I couldn't believe it, and after asking for more information, I found out that each month's payment I had already made was only going towards interest. I had enough to pay it off, but I felt cheated. You're already in the depths of hell if you have to resort to a place like that for a loan, and they just keep piling it on you. They prey on people who are vulnerable.





6. DONALD GARRETT (RICHMOND, VA)

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I live off a \$1,300 a month disability check and I am on dialysis. I had fallen behind on some bills, and because of my fixed income, I was worried I wouldn't have enough money at the end of the month to pay for everything I needed. I went to Advance Til Payday to get a loan after seeing a flyer advertising a \$100 loan that I'd have to pay \$140 back later on. The ad said it was a deal for less than you normally pay, but when I got to the store the person working there told me I'd actually have to pay \$180 back for the \$100 loan. I still decided to sign up for it, because they made it seem so easy.

What happened next was when I couldn't pay the full amount back in time, they tacked on another \$80 fee. I never knew the \$80 was a monthly fee, because they made it seem like it was just a one-time thing. They called it a participation fee, and I was worried I would never be able to pay it all off. I racked up \$320 in fees before a friend of mine stepped in to pay it off for me. I don't know what I would have done if I hadn't gotten some help.

7. ANONYMOUS (COLUMBIA, VA)

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I had a short time period when my hours at work had been cut, and I was struggling to keep up with some of my everyday financial obligations. I decided to take out an internet payday loan for \$900 to hold me over until I began working again. Because I needed the money right then, I agreed to the loan's requirements. Only later did I realize the 6-month, \$900 loan would actually end up costing me \$3019.02 at an interest rate of 638.7%. Even once I started working again, I was unable to make the required payment of \$254.52 every two weeks while still paying for a place to live and food to eat.

I can't believe the law allows lenders to take advantage of people when all they need is a little bit of financial help. Please make sure this can't happen again.

8. WAVERLY FIELDS (RICHMOND, VA)

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When I fell and hurt my shoulder, I faced some high medical bills and I didn't have the funds to pay them. I thought a car title loan would help me get some money to pay my bills, but the amount I got wasn't really enough to make a difference. I went in to make a payment and the worker said I had qualified for more money, which I thought was great news at the time. They gave me \$2,000. What I found out later was that they turned my loan into a consumer finance loan, and the interest was way higher than before. I felt tricked, and the new payments were even more unaffordable.

I don't think they should be allowed to give you one type of loan, then offer a different kind without explaining the difference. I was manipulated. But I got lucky, because I got in a car accident where the insurance company gave me enough money to pay the loan off. It meant I couldn't repair the car the way it needed it, but I was able to get out of debt. If that hadn't





happened, I probably would have paid thousands in interest. They make it so your payments barely touch the principal, and the interest is so high it just seems to keep building.

#### 9. COURTNEY (DUBLIN, VA)

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I thought an internet loan would help me pay for some unexpected expenses, but I had no idea what I was getting into or how much it would end up costing me. I got a \$1,000 loan from CashNetUSA by filling out their online application. They asked for my bank account and I thought it was so they could deposit the loan money – I had no idea they were going to use it to withdraw so much money from my account.

I knew I couldn't keep up with the payments, so I asked CashNet for a settlement. They agreed to \$750 and I made the necessary payments. I got a confirmation letter that the loan was paid off, but I still get calls from debt collectors telling me that I will go to jail if I don't pay. They have even called my grandmother and my mother while she is at work. This is a bad track to get down, and I am still suffering because of it.

#### 10. JAMES (MECHANICSVILLE, VA)

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My wife and I have a limited income, and mostly rely on social security income to get by. I use my 1999 GMC pickup truck for transportation. During a time of tight finances, I was facing some medical bills that we couldn't afford. I saw an advertisement promising to get me the cash I needed now. I went to Allied Title Lending. The sales representative said I qualified for \$2,160, and all I had to do was give them the title to my truck and make my payments. I walked out thinking I had a car title loan – it's what I asked for, and it was in the name of the store.

I kept paying and paying and paying on it, but the balance never went down. After a year and a half of never missing a payment, my balance was higher than what I first borrowed. When I asked them how this was possible, I never got a straight answer. It wasn't until close to three years that one of the workers told me I didn't have a car title loan – I had what they said was a consumer finance loan. By that time, I had paid over \$16,000 and the principal amount had stayed the same. I knew I needed to get a lawyer, and I wish I had earlier.

Once I spoke to the attorney, we got the paperwork ready for a lawsuit. We filed it based on the fact that they said they gave me a car title loan, but really gave me a different loan without as many protections as a car title loan. It was why they could charge so much interest and let the payments go on endlessly. If I hadn't talked to the attorney, I would still be paying on this loan. I couldn't lose my truck, because I needed it to take care of myself and my wife.

Once we filed the lawsuit, the lender changed their attitude real quick. They offered to give me back all of the interest I had paid if I would drop the suit. That's what we did, because I needed that money and my truck's title back. I think these companies need to be forced to write their contracts so you don't have to be a lawyer to understand what you're getting into. The average person doesn't deserve to get sucked into that kind of trap.



11. M.D. (ASHLAND, VA)

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I had an unexpected financial situation, and unfortunately I thought an internet loan would give me enough breathing room to take care of it. At the time, I was making about \$1,800 a month working, and my loan amount was \$2,500. I could afford the payments to NetCredit for the first few months, but eventually, the \$600 they were taking out of my bank account every month got to be too much.

I was able to get some legal help to get out of the loan, which I found out was unenforceable because the company was not licensed in Virginia. But I started getting phone calls daily about the loan, and even though the loan is unenforceable, my credit is still being affected by the negative credit reports. I really don't think they should be handing these loans out online, especially with such high interest rates.

12. P.C. (CHESTERFIELD, VA)

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Social security is my only form of income, and it makes my finances pretty tight month-to-month. I had gotten behind on a few bills, and based on some advertisements I went to a store called Allied Cash Advance to see about a loan. I just needed a little help to catch up. When I was talking to the employee, I told them about my income and they assured me they could help me and it would be easy to pay back. Based on that, I signed the papers and was able to borrow \$480.

For my first payment, I paid \$65, which was within my budget. They took it without any problem. But the next time I went in, they wouldn't take \$65. Instead, they said my payment was \$254.37, and that I owed \$729.37 total. This was only after two months on a \$480 loan. I had no idea why the payment had gotten so high. When I said I couldn't pay that amount on my social security income, the person there got very rude. The next day, I started getting phone calls. They called multiple times a day, demanding that I pay immediately. I had already explained my income situation to them, and now they just didn't seem to care. They wouldn't take the money I tried to pay because it wasn't the full amount.

My family members also got phone calls as well. The worst was when I got a call saying that if I didn't pay \$600 that day, the sheriff was coming to arrest me. I was so scared. I called the sheriff's office and they said there was no arrest warrant for me. I decided I needed to call an attorney, who was able to help get these people to stop harassing me.

I think there needs to be laws that make sure these lenders can't change up your payments so drastically. I still don't understand how they had me pay \$65 one month but wanted over \$250 the next. In that time, my balance almost doubled. The harassment needs to be looked into as well. The way they spoke to me and the threats they made worried me to death.





13. MARK (BLACKSBURG, VA)

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My wife became disabled, and when she could no longer work we were facing financial troubles. We had been living off of two incomes, and in an attempt to save our home, I took out a payday loan. I was desperate at the time, and I didn't realize how quickly the interest would build up. I was paying between \$600 and \$700 a month in interest, and was barely able to touch the principal at all. Eventually I tried to take out a lower interest internet loan to pay off the higher interest payday loan, but it became a vicious cycle. I've had to hire an attorney, who informed me that the internet loans were illegal because the lenders were not authorized to do business in Virginia.

Over the years, I've paid thousands in interest – between \$60,000 and \$70,000, easily. I've always had a steady job, and this has shown me it can happen to anyone. People really need to know about this. I think it's thievery. They use scare tactics, and I've been told they have someone in my area ready to serve me with a lawsuit if I don't pay. I'm still pretty scared of it all, and they are calling me and sending letters to this day.

14. CHRIS (RICHMOND, VA)

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I was in a position where I felt like everything was going wrong at once. I had broken my ankle and couldn't work, my house was in foreclosure, and I had started selling things from my house to try to stay afloat. I ended up getting a title loan from TitleMax thinking it would give me a little breathing room. The interest rate was too high to stay on top of the payments, though. After I missed one, I felt like it was all over because they wouldn't take a partial payment. They ended up repossessing my car, and I am still dealing with trying to get it back.

I've had experiences with payday loans in the past as well, and felt like every time I went to make a payment, I would have to borrow more because of the interest rate. I hope the Consumer Financial Protection Bureau does a good thing here, because it seems like every time they make a law, these lenders find a way around it. They take advantage of people in bad spots. I think these kinds of lenders should be able to charge an interest rate a little higher than a normal bank, but not what they charge now. It makes it too hard for people to get out of the loans.

15. DIANCA (HAMPTON, VA)

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My husband I were struggling, and we needed money to pay bills and buy diapers for our child. I was in between jobs, and my husband's income wasn't enough to support us all. My husband applied for a title loan and used our 1993 Nissan to do so. He said the process was a breeze – he went in, and came back outside with a check for \$1,300 after a few minutes. We found out pretty soon that the whole thing was a ripoff. People will do anything in their time of need, and these companies take advantage of you when you are vulnerable.





16. ANGELA (DUNNSVILLE, VA)

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I am employed, but I had gotten behind on some of my bills and I hoped a small internet loan would help put me back on track. I applied for a \$600 loan from CashNetUSA, and while I knew the interest rate seemed high, I really needed the money right then. I thought I could figure out the payments later. So far, I have been able to make the payments, but there is no way I would do this again. These kinds of loans are too costly, and because of this I wasn't able to catch back up on my bills like I hoped.

If I had to guess, I think it will take me at least a year to pay this back and I will probably have to pay at least double of what I originally borrowed. I spoke to my sister about this, and she said she had an internet loan in the past as well. She ended up paying more than three times what she borrowed. The interest rate is so high that my payments barely touch the principal, and because of the way they take money directly from my bank account, it is hard to pay more. The balance never seems to go down.

17. RHONDA (FAIRFAX, VA)

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My son got into some financial trouble, and he ended up getting two online loans to try to address it while helping me with some medical bills. One loan was for \$300 and the other for \$700. When I looked at the loan information, I told him he wasn't paying anything off – just interest. He still paid on those loans for probably a year before finally getting some legal advice, and he found out that the loans were illegal. When he stopped them from taking money out of his account, he began getting phone calls all of the time. They told him he would get in trouble and that they were going to lock him up if he didn't pay. He got so scared that he started paying again, and when it was all over he paid for the original \$1,000 at least five times over.

I have known so many people that have gone down this road, and they shouldn't be able to charge such crazy interest. Lots of people keep paying because they don't want to admit they got themselves into such a problem. I tell them to get legal advice, but people should just be able to get loans with reasonable interest rates.

18. DAWN (LEXINGTON, VA)

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I live on a fixed income, and it is hard to stay on top of bills, medications, transportation costs for medical appointments, and food. I was desperate for some money because I was facing having my electricity cut off, so I went looking for a loan on the internet. At the time, it didn't register with me just how much an interest rate of over 200% was going to cost me – I wasn't in my right mind. So I signed up for my first internet loan, and soon after they started taking money from my bank account. But they didn't stick to the payment schedule I saw when I applied for the loan. The payments were almost double what I had expected. I was overwhelmed, and ended up taking more loans out from other internet companies to try to pay off the first loan. I soon fell behind on them all, and luckily spoke to an attorney who explained to me that these loans were given by companies who aren't licensed in Virginia, so their



contracts aren't enforceable. I was able to close my bank account to keep them from taking what little money I get from my disability check.

Even though they haven't gotten more of my money, I get multiple calls a day from people telling me I will be arrested if I don't pay. They send me letters and emails, and they have called my family all over the country to harass them too. I am glad someone is taking action, and I hope the laws change for these businesses so they can't continue acting like this.

#### 19. JAMES (RICHMOND, VA)

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I get a small amount every month from social security and my pension, but money is always tight. I don't have a lot of margin for error, but people with a lot more money than me make financial mistakes all the time, so it's not surprising that I could make a mistake too. That mistake was getting caught in a cycle with payday lenders. I got an open-end credit line at Allied Cash Advance, and ended up paying them three times as much as I borrowed in the end. It was so hard to keep up with payments, because as soon as I made one, I was almost out of money for the month and I needed to get another advance. They keep the cycle going. I was never able to pay the whole thing off and I had to file for bankruptcy. I was also behind on all of my other obligations because of this.

It's such a problem when you can't get a loan from a legitimate lender. That's how these places get you on your back and charge you such egregious interest rates – you can't go anywhere else. I think they could serve a worthwhile purpose, but the interest rates don't have to be so outrageous. They can still make a bunch of money with more reasonable rates, and people would be able to pay them back without so much trouble.

#### 20. ANONYMOUS (RICHMOND, VA)

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I had been in debt for some time, and when I found out I had cancer I knew I would need some extra financial help. I took out several payday loans shortly after, each around \$500. I needed to make sure I could support myself during treatment. Each application just required basic information, but they never asked about my other debts.

Because the interest rates were so high, I had to take out loans from other payday lenders just to keep up with the original loans. I got caught in a trap. There should be laws that make sure these lenders know someone can pay a loan back. If you're as desperate as I was, you'll do anything without realizing how much worse you're making it on yourself.

#### 21. CHARLES (ASHLAND, VA)

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My wife and I are self-employed, and when business had been slow, I tried to borrow money from our bank to hold us over on our mortgage and other bills. They wouldn't agree to lend me the \$5,000 or so that I needed, even though I have good credit and have banked with them for some time. I turned to internet loans instead, and I currently have two left to pay off.





After seeing some articles on these types of loans, I did some research and found out my lenders were unlicensed in Virginia. I was unaware of this during my application, and I was confused when I read that these loans were enforceable under “tribal law.” I thought I had a loan from a Native American tribe, but after more research, found out that the lender had almost nothing to do with any tribe. I feel like these lenders are taking advantage of people like me and the tribes they say they associate with.

I wish there was a quick fix to these types of loans. I think there needs to be something for people who can’t get regular loans from banks, but I feel like I signed up for these internet loans based on false information. The interest rates are too high. One of my loans was for \$2,600, and after 9 months of paying \$393 a month, my principal balance is over \$3,000. You can’t get ahead when you have a temporary setback but end up paying back double or triple the original loan.

#### 22. ALFONSE (CHESTERFIELD, VA)

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When I was in a cash bind, I turned to an internet lender. Because I needed that money right then, it was easy for me to skim through the information on the lending agreement. They make everything seem so simple, and that cash is just waiting for you to click “OK.” I didn’t know what I was getting into, and I later found out this was an illegal loan company because CashNetUSA doesn’t have a license in Virginia. I feel like it was fraud.

I am still paying it back. I borrowed \$1,000 and have paid around \$1,800 so far. I missed one payment, and that means the interest built up so much that it is hard to make a payment that goes beyond interest. It adds up so quickly, and the balance seems to just increase every month. I think that these loans shouldn’t be marketed online like they are now. At first it sounds great, because it is so easy to get that money. But later it becomes clear that you agreed to pay them triple what you originally borrowed. It’s also very hard to plan out your month when they take cash directly from your account. I had to remove their access because they began taking money out two days before what I had agreed to.

#### 23. JAMES (RICHMOND, VA)

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I took out a loan from Western Sky to try and pay off a single, unexpected bill that I wasn’t able to cover with my normal income. It was like a nightmare by the end of the process. I had wanted, and applied for, \$980. But after some back and forth with Western Sky, they told me they couldn’t loan me just \$980, and explained I would have to borrow over \$2,500. I decided to just do that, thinking I could pay a large lump sum back immediately and not worry about the extra amount. But as soon as the loan was completed, the servicer changed to Delbert Services, who would not let me pay more than the scheduled payments. When the interest kicked in, the balance began ballooning. I fell behind at one point, and the phone calls that I received from Delbert Services were constantly coming.

I was eventually able to pay it off, but I paid back a much higher amount than I borrowed. I would not have had to pay such a high amount in interest if they had let me pay more than my





minimum scheduled payment. I hope that new laws are put in place to prevent companies from doing this to others. I felt taken advantage of when I was facing a bill I wasn't able to plan for.

#### 24. JAZMINE (RICHMOND, VA)

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When I was facing an unexpected financial hardship, I borrowed \$300 from CashNetUSA to get me through it. I ended up in a worse spot than I was before due to the high interest and harassing phone calls I ended up getting from them. The application process was easy enough, because they only asked for basic information like my name, address, bank information, and phone number. I remember the website advertising there were no fees associated with the loan, but when they began to take money out of my bank account (about \$100 every two weeks), the balance just kept getting bigger. I had no idea the interest rate was going to make this so difficult to pay back. I ended up doing some research and found out that CashNetUSA was not licensed in Virginia, and that I should remove their authorization to access my bank account.

Once I did that, the phone calls started. I would get two or three calls a day, and the people on the other end would make all sorts of threats. They said they were sending someone to my house to have me arrested if I didn't pay the money back. I got these calls for a long time, and in the end I did pay them back. I don't think these companies should be able to make threats. There should be laws in place that make sure they have to keep it professional.

#### 25. RENEE D. (HERNDON, VA)

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My sister needed some financial help, and because I didn't have extra money myself, I borrowed some from an internet lender. It was a little less than \$1,000 total. When I applied, the website showed me what my monthly repayment obligation would be. Soon after, when they began taking money from my account, that monthly repayment began to increase each month. They did not stick to what I had agreed to.

To make matters worse, I had to temporarily leave work when my daughter died overseas. I communicated this information to the lender, but they were not willing to work with me. Instead, they continued to attempt auto-debiting my account even when they knew it was empty. They did this multiple times a week, each time incurring a \$29 fee on my account. My balance was lower than -\$500 before my bank explained to me how to revoke the lender's authorization to access my account.

When I did that, the phone calls and emails started coming in very frequently. I got calls from all sorts of numbers. I hope that new laws go in place to prevent this kind of thing from happening to more people. I really believe the interest rates they charge should be illegal. It's easy to ignore the numbers when you really need the money, but it makes repaying the loan so difficult – or impossible if some other unforeseen event takes place.



26. TRACY (FREDERICKSBURG, VA)

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I made the mistake of borrowing from an internet loan company, Plain Green Loans, when I was recently divorced and trying to support my children alone. The website made everything seem so easy, but they didn't tell me the real ins and outs of what I was getting myself into. I soon fell behind on the first one and had to get another loan to try and pay it off.

When I couldn't keep up, I had to remove the lenders' authorization to take money from my account to avoid them draining my bank account. That is when the phone calls started. I would get calls two or three times a day, threatening my arrest if I didn't pay up. The threats were believable at first, but I got some legal advice. I found out that these internet loan companies make these threats even though they know the loans aren't enforceable if they aren't licensed in the state. I don't think it's fair that these companies can operate like this.

27. KAREN (VIRGINIA BEACH, VA)

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I have worked my whole life, but when I faced an upcoming surgery for cancer treatment, my part-time employment, social security check, retirement income, and health insurance were not enough to cover all of my medical fees. I got both an internet loan and a payday loan from a storefront over two years ago. I still receive threatening voicemails and emails to this day. Multiple times a week, I am threatened with lawsuits and arrest warrants. I even got a phone call from someone who disguised the number so that it appeared as the Chesapeake, Virginia Police Department. When I called it back, they said they had no information on an arrest warrant for me.

The application process for both loans was deceptively simple. When my repayment began, hidden fees that were not in my contract appeared. I asked to see a copy of the original contract I had signed, but was only provided new "contracts" with additional terms and fees I never agreed to. They just typed my name in the signature line. They began to take money directly from my bank account for more than the agreed amounts. I had to change my account number, but they still make attempts to withdraw money. I have had to pay several overdraft fees over the years as a result.

People need access to short term loans, but the outrageous rates and hidden fees make what these places can do highway robbery. Then they just hound you repeatedly. My supervisor even got a call from someone who said I committed check fraud. I am not easily intimidated, but a lot of people are and I'm afraid other people have suffered very real consequences as a result of these tactics. It's criminal what they think they can do, and I'm glad somebody's doing something about this.

28. HERBERT (RICHMOND, VA)

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Our client obtained an online loan from Western Sky, which held itself out to the public as a tribal entity of the Cheyenne River Sioux Tribe, claiming sovereign immunity from the laws of the Federal and State governments. Once he obtained his loan, Western Sky quickly transferred the loan to another entity, with servicing to be provided by CashCall. He discovered CashCall had





pulled his credit report, despite never acquiring permission to do so. By structuring their relationship in this way, Western Sky claims tribal sovereign immunity and both Western Sky and CashCall attempt to escape usury, payday lending, and consumer protection laws. Further, our client's privacy rights were violated when his credit report was pulled and transferred to other services without his permission and without a lawful purpose to do so.

#### 29. C.F. (WAYNESBORO, VA)

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My husband and I experienced some financial problems when he lost his job. Our credit took a hit, which meant banks would not lend to us when we needed a little extra money. I turned to an internet lender because they don't check your credit before giving you the money. We've been caught in a cycle of borrowing high interest loans for a while now, and I've had to deal with people calling me all the time and telling me they are going to have me arrested at work for being behind on my payments.

I've learned a lot about internet and payday loans now that I've been through these experiences. Before, when I applied for the first one, I didn't expect the interest rate to be so high. They approve you for the loan and tell you how much cash you will get and rush through the fine print after. For the first loan, I borrowed \$300 but ended up paying back over \$1,800. The loan was for one year, with payments of about \$70 taken out of my account every two weeks. I needed to borrow more money to make sure I could pay the first loan off and still have enough to take care of the rest of my expenses.

These loans got me into a deep hole. I really feel like we need to do away with these kinds of businesses. It's so hard to get out of debt once you've borrowed from them.

#### 30. KARA (RICHMOND, VA)

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To help me get past a period where I was behind on bills, I turned to an internet lender called CashNetUSA. After my experience with them and another lender called NetCredit, I would never use these types of loans again. It's not worth the hassle and the headache. When I first applied, I didn't know what my interest rate was going to be. It was a big surprise once I realized my \$800 loan would cost me \$2,100.

When I applied, they only told me what my payment would be every two weeks. It didn't seem that bad, but they didn't show me the total. Once I did the math, I decided I needed to try to pay it off early to avoid so much interest building up. So I made an extra payment in between my paychecks. When the next scheduled payment was supposed to go through, they didn't take it. I called them and they said they don't allow extra payments. They told me that I would have to keep on their pay schedule or pay the whole loan off in full, which I couldn't do.

The expense of these loans built up, and I got behind. That is when CashNetUSA started to threaten me over the phone. I was told several times that they were going to show up at my job and have me arrested to embarrass me. They acted like they had the arrest warrant ready to go, even though I later found out it was a lie.





If there are new laws on these types of loans, I think they need to make it very clear what your interest rate is going to be and how much it will end up costing you. And they should quit disguising it as a line of credit. I have a true line of credit with my bank now, and they don't make my payments match my job's paydays. And my bank's interest rate is only 7.9%, compared to the internet loan which was over 100%. I was in a truly desperate situation when I got my internet loans, and I wish I had known then what those loans really mean.

#### 31. SHERRY (RICHMOND, VA)

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I was trying to move into a new home and needed to pay both my first month of rent and my security deposit at the same time. I didn't have enough money alone to do it, so I applied for an internet loan for \$1,200 to cover it. The quote they gave me said I would have to pay back about \$150 a month for twelve months to pay it back, but for the first payment they took out close to \$300. They did that for three months before I got in touch with someone who told me these loans were not legal in Virginia because the company wasn't licensed to do business here.

To stop them from taking so much of my money, I closed my bank account. I needed that money to pay rent and bills and to buy groceries. I couldn't afford all of that if my lender was going to take out almost twice as much as I agreed to in the first place. After I closed the bank account, I began to get calls that were from people saying I would be arrested. I told them I had talked to a lawyer, but they didn't care. They just kept calling. I think that the laws should change so that when you go to borrow money, they have to tell you clearly how much you will need to pay back in the end. I felt lied to once they began withdrawing payments from me.

#### 32. SEMETRICA (HOPEWELL, VA)

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I was short on money at two different times this year. One month, I needed extra money to pay my rent, and at another time, I had an unexpectedly high utility bill. For both issues, I turned to internet loans. I borrowed \$525 from Green Circle, and the online application did not have all of the information that came in my contract afterwards.

When I saw the contract, I saw that the interest rate for my loan was 478.69%, and that in total, my loan would cost me \$1,119.50. According to the pay schedule, I would be paying \$111.95 every two weeks for five months. This information was not clear to me when I was applying to the loan. Almost all of those payments just go to interest.

I fell behind in my payments, and received a letter from Green Circle about wage assignment. I didn't know what they were talking about, but I then learned that my contract included a section saying that I agreed to have Green Circle contact my employer and seek voluntary wage assignment – they got my employer to funnel money directly to them. After getting some legal advice, I was able to send a letter revoking any authorization for wage assignment, but I am still waiting to see what the result is or if Green Circle will fight me on it.

From my experiences, I wish the laws would change so that it's not as easy to get trapped into these kinds of situations. Both loans I took out because I needed help for a one-time financial



issue, but I'm learning that I've put myself into a much longer term problem. If the interest rate is in the triple digits, it's no longer a quick fix.

### 33. MICHAEL (VIRGINIA BEACH, VA)

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When I first took out my internet loan, I was trying to catch up on lingering financial obligations. I was retired, and received social security income which I was supplementing with a part time job. It was a loan with horrendously high interest, so I knew the loan would be expensive. But I thought I could pay it off early with my income at the time. Shortly after, I lost my part time job. My other income was not enough to keep up with the payments, so I began to fall behind.

The treatment I received from my lender was offensive. I got phone calls regularly, and they told me that they would sue me and that I would go to jail for defrauding them. I don't know how I defrauded them, but they were persistent. What was frustrating was that I felt lied to – when I knew I wouldn't be able to make a scheduled payment, I called them to talk about an extension. They agreed, and told me that they would not make the automatic withdrawal for the next scheduled pay date. They did it anyway, and it caused me a lot of bounced checks and bank fees as a result. I felt like I was the one who had been defrauded at that point.

It's my opinion that there needs to be changes on the interest rates these businesses can charge. To loan someone \$500, knowing that the interest rate means they will have to pay back four or five times that much, it's just immoral.

### 34. MARK (TAZEWELL, VA)

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I first turned to internet loans when I was trying to help my mother stay in her home. I needed a down payment to help purchase the land, and borrowed \$1,000 to put towards it. The interest rate on the loan was over 700%, but I needed the money and thought I could manage the payments. But the interest builds so fast, there's no way to pay it off. I was afraid of defaulting, so I got another loan, and another, and so on. Some of the interest rates were as high as 900%.

The applications are easy, and as soon as I got the first one, I started receiving emails and letters from other internet lenders telling me I was eligible for more. They would say things like "you're one of only five people eligible for this offer." It's loan sharking, it's too predatory. It got to the point where they would deduct my entire paycheck as soon as it hit my bank. At the time, that was about \$1,500 every two weeks. I got all sorts of overdraft charges, but finally got some legal advice and learned I could stop the automatic debits. That's when they started hounding me over the phone. I still get phone calls, letters, and emails. Even my brother got a phone call saying there was a judge about to enter judgment against me unless he could get some money to them. It used to really frighten me, but I've learned a lot now. I've learned that these companies skirt the law, and that their loans aren't really enforceable. But they use scare tactics to get you to pay.

It'd be different if they charged the right interest rate, something you could actually pay off. But the temptation is always there when you see they can deposit \$1,000 into your account as soon as you agree to the contract. But consumers don't know until it's too late. That's the sad thing.





35. E.M. (BEAVERDAM, VA)

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I needed some money for an unexpected car repair. I don't have much extra cash left over at the end of the month, so I called a number I had seen on a TV advertisement for CashNetUSA. They told me what I would need to do to get a loan, so I went online and applied. The money didn't take long to get into my account, but the way they had set up payments and the interest rate made it so that my payments barely reduced the amount I owed. Once I had paid back more than what I had borrowed, they said I still owed about that same amount.

I got in touch with a lawyer, who explained to me that this kind of internet loan was actually unenforceable. But they kept taking my money out of the bank, so I ended up closing that account completely. That's when they started calling me all of the time. I told them what I had found out about the loan being illegal because of its interest rate, and that they weren't going to get more money from me. I even gave them my attorney's number and told them to call him, but they kept harassing me. They said they'd get a judge to garnish my wages, but they never tried.

I think it's okay for them to make loans so they can make money, but they shouldn't be able to tack on all these high fees and interest rates. They need to follow the laws of the states where they do business.

36. SANDRA G. (BRIDGEWATER, VA) Source: phone interview 9/16/16

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When my husband was injured, he was unable to work for two years. During that time, it was hard to get by. We had difficulty keeping up with bills, rent, and groceries for our family. It ended up hurting both of our credit ratings as well. Because we were in such a desperate situation, I looked into internet lenders. When you search for those kinds of things online, you think you are dealing with the lender directly. It all looks secure. But over the course of time, I began to get tons of phone calls and withdrawal attempts on my bank account. The withdrawals came from companies I had never heard of, so my bank had to set up a fraud alert for me. Eventually I had to close the account completely and switch banks, because it wouldn't stop.

The calls still come, occasionally. I recently got one from a number claiming to be the IRS, which seemed shady. I was able to confirm it was a scam, and sent a complaint to the FTC. Other calls have come from people saying they were with the Rockingham County Sheriff's Office, and that they were going to come lock me up if I didn't pay. At first, these kinds of calls really scared me. But I got legal advice from an attorney who told me it was just a scare tactic that these lenders and debt collectors use.

When you look for these kinds of loans, you are already in a bad situation. I think using these lenders takes you from a bad situation to a worse one. People who are shady always seem to find a way around the rules, but I hope this time it makes a difference.



37. E.S. (RICHMOND, VA)

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I was hit with some medical bills I wasn't prepared for, and the money I put towards that cut into my rent. I didn't know much about internet loans, but now I wish I had someone to tell me to steer clear. I looked online and it seemed so convenient at the time. I needed to pay my bills and rent, and they could get me the money quick. But in the end, it got to be too unaffordable with the high interest rate and their borrowing fees.

Once I started to repay it, I was making payments just towards the interest that I needed to be using on that month's bills and rent. But they would take the money right out of my account before I could do anything about it. To make the payments, it almost obligates you to take another loan out. Otherwise you can't make it through the month. Trust me, I will warn my friends and family about how much these loans really weigh on you in the end.

I didn't realize how expensive borrowing even a small amount of money from an internet lender would be. I think there needs to be rules in place that make sure these companies are more upfront about the costs. They shouldn't be able to prey on people with such high interest rates just because they have bad credit.

38. E.M. (LOUISA COUNTY, VA)

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I needed to pay an extra bill as a one-time event. It wasn't a very large amount of money, but it was more than I could afford without sacrificing other basic needs like rent and utilities. So I turned to CashNetUSA about borrowed a little over \$500. That was back in 2013, and I am still paying for this loan today.

There's just so much interest on my loan. It's very hard for me to have extra money to put away each month, so there have been a few times where my payment was late. Even if it's just one day late, the fees and interest make the next month even higher. My payments are supposed to be around \$140 every two weeks. Even though some have been late, I have been paying that amount for close to three years, and I only borrowed around \$500 to begin with. I am now in touch with an attorney who I hope will help me get out of this, but I've already paid so much.

When I am late, I get phone calls. Sometimes the person will work with me, but others are very rude. I have been told there would be a court summons if I didn't pay, or that they will garnish my income. I try to work with them, but they act like I have to pay it all immediately, or else.

I think if anything needs to change, it is what the interest rate on these loans can be. It's hard to keep up with payments. I needed to borrow money just for a small, unexpected bill, and I've been dealing with this ever since. It's put me so far behind. I would never go to them again.

39. DELORES (RICHMOND, VA)

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I took out an internet payday loan when I was not able to get enough hours at my part time job, and the high interest quickly meant that CashNetUSA was taking over \$400 out of my bank





account every two weeks. I just needed some help to catch up on bills and get more reliable transportation, but it ended up costing me more than my mortgage every month. I couldn't make the payments even when I got a better job with more hours.

I asked CashNet to lower my payments, but they refused. They said they'd offer me a settlement with four payments, but when I made the payments they kept adding more to it. Then I got phone calls saying they were on the way to the courthouse and were going to sue me. Later I found out that because they weren't licensed to do business in my state, the loan was actually illegal in the first place. I've been telling people I know to stay away from these types of loans because they are a trap.

#### 40. TIM (SILVER SPRING, MD)

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Due to a brief financial issue, I was short for my upcoming rent payment. I decided I would borrow just enough to cover what I needed, and got \$200 from an internet lender. When I was applying, I remember the company being pretty clear about administrative and service fees – but nowhere in the process did they disclose the 258% interest rate that would be on the contract they eventually provided. I didn't realize it was that high until they automatically charged my bank account for the first payment. It was much higher than what was quoted when I was applying. I immediately got in touch with my bank and the lender to dispute the charge. My bank refunded me after I filed a fraud complaint against the lender.

I also found out during this process that the lender did not have a valid license in the state where I was living at the time (Virginia), and that they were not following Virginia's laws on interest rates. I made it clear to the lender that I felt defrauded, and they ended up selling the loan to a debt collector. I started getting three or four threatening phone calls a day. It was common for them to tell me they were going to sue me, or that they had filed criminal charges and I would be locked up if I didn't pay. I ended up settling with the debt collection company, just to stop the constant harassment.

I think there needs to be a cap on the interest rates companies can charge. They would still make plenty of money, but these loans cost a ridiculous amount. It's like they want to just keep you trapped in their system.

#### 41. TRUDY (RICHMOND, VA)

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Close to three years ago, I took out my first internet loan from CashNetUSA. I was trying to survive, and needed help with my living expenses – rent, gas, utilities, and food. Now I'm in a financial mess. Because the first loan was so expensive, I couldn't pay for it and my other day-to-day living expenses without taking out another loan. I borrowed from other lenders because I was afraid to miss payments on my existing loans. I've paid back way more than I've borrowed over the course of the loans. For the first one from CashNet, I borrowed \$1,000. I estimate that



I've paid back close to \$7,000 since I first got it, and my balance has only increased. It is currently around \$1,800. All of my loans are like that.

Now, it's gotten to the point where my bank account has been drained. Every time I get paid, the money is gone instantly. Then I get hit with overdraft fees, because they are trying to take out more than I get paid every month. I just got hit with over \$400 in overdraft fees alone. Because there's not enough money, I'm behind on all of my other bills and obligations. I am also getting phone calls constantly from the lenders saying they want their money.

There needs to be more information for consumers. I had no idea what I was getting into. I think the public deserves to know what they are signing up for with these types of loans. I was struggling to support myself on my income, and these loans just made everything worse. I hate to think about all of the money I've lost because of them.

#### 42. R.K. (PHENIX, VA)

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My car needed repairs earlier this year, and I took out an internet loan in March to help pay for it. I needed to still get around, because I don't live near public transportation. I looked for short term loans from banks, but my credit was bad due to outstanding medical bills and student loans. I found CashNetUSA, and they don't do credit checks. I borrowed \$550 after talking to a representative on the phone. That person made everything sound so easy – I'd get my money quick, and it would be easy to pay off in three months.

Well, the payments are too high for me to pay the whole thing off. I haven't missed a payment, but that's only because I have had to borrow more from them. CashNet has given me two credit increases since I took the loan out, and the reason is because I have "good payment history." I've paid them about \$150 every two weeks for six months. That adds up to around \$1800 paid back on a loan that was originally \$550, but my balance right now is \$750.

I tried contacting them to work out a lower payment or extension, but all they said they could do was push one payment back a week. That doesn't help me, because then I have to make two full payments two weeks in a row. My budget can't afford that.

I want to see the interest rates on these loans change. They shouldn't be so high that you can't pay it off. People fall into a trap, and a short term financial issue becomes a long term one because of these loans. The companies need to be more transparent about the credit increases, as well.

#### 43. L.S. (NEW RIVER VALLEY, VA)

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I live with my husband and three children. We had an unexpected financial expense, and because our combined income couldn't easily cover it, I looked into getting an internet loan from Mobiloans. The application was confusing. I feel like it wasn't worded in a way that the





actual cost of the loan was easily understood. I didn't realize it was so easy to get caught in this trap.

Once I got the loan, it was impossible for me to pay it off. I didn't want to miss a payment, though, so I took out another loan to help pay off the first. It started snowballing from there, and I currently have seven separate loans from internet lenders. I make about \$3,000 a month, but after each paycheck hits my account, the account is almost at zero. I've had to cut back on groceries for my family, and we only get the essentials now. As for day-to-day living, anything that isn't necessary is out of the question. I've also been late on other bills because I was afraid of getting behind on the internet loans because their interest rate is so high.

Only recently did I reach out for help. It's to the point where I know I'll never be able to dig myself out. There are things my family needs that this money could be going towards. I can't buy anything for them. I wish these types of loans would be outlawed completely.

#### 44. W.J. (RICHMOND, VA)

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I was doing fine financially, but had started looking into purchasing a home. I had bad credit, and wanted a way to build some good credit up after talking to people in the real estate business. I had seen a commercial for CashCall, and they made everything seem so easy and innocent. I called the number first, and the person I spoke to explained it would be an easy way to build credit. He said I'd have a monthly payment and I could pay it off early. Since I didn't really need the loan, and was only trying to build credit, I went online and applied.

The next thing I knew, they were pulling money out of my account every paycheck and the interest rate was so high I wasn't actually paying off anything. It didn't take long for these payments to drain my bank account, and I started getting charged bank fees for overdrafts. Because the lender wasn't able to get any money out of my empty bank account, they started harassing me over the phone. I would get calls twenty-four hours a day it felt like. Sometimes they were past midnight, and they would say if I hadn't sent money by 8:00am they were contacting attorneys to sue me.

It got so bad that I stopped answering my phone if I didn't know the number. I had to move back in with my parents, and my father was looking into taking out a loan just to pay mine off. Luckily, he found an article explaining that the online lender wasn't licensed to do business in Virginia, and that there are ways to challenge the contract itself. I got in touch with an attorney who helped me get out of that mess.

I think that there should be rules to force these online companies to be very clear on the terms of the loan. I learned my lesson, and paid a lot of money for it, but I don't want to see someone else get put in the position I did. Even though they make it seem so easy, you're really falling into a trap.



45. A.P. (RICHMOND, VA)

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I had been diagnosed with cancer and faced an upcoming surgery I couldn't afford. I called TitleMax to learn about a title loan, and they made it seem like a very simple process. I brought the documents they said they needed to one of their storefronts, and I was out with a check in my hand not long after. One thing I had to tell them was my income. My only source of income at the time was a social security check, and they knew the amount.

They didn't make it clear what my monthly payment would be – but I was desperate for the money, and signed the contract. The first payment was around \$450, which was over half of my monthly social security check. I could only make that payment for three months before I missed one, but I let them know I was planning on paying as soon as my next check came in. But in two weeks my car was gone. I never even got a warning.

I think there needs to be stricter requirements about the communications places like TitleMax need to make with their customers. I was in a pretty bad state of mind at the time, and they rushed through the process like this was no big deal. I lost my car only a few months into the contract. This loan did more harm than I could have ever imagined.

46. C.R. (SILVER SPRING, MD)

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I had a cash flow issue, but knew I would be able to pay off a loan fairly quickly. It was just a short time period where I knew I would be behind on my financial obligations. I had seen TV commercials for CashPoint title loans, and I felt like I had no other option. I should have walked out the door, but I didn't see another way. I filled out a very simple questionnaire, and they took it to the back. When they came out, they had a new document that showed the month's payment amount, but no interest rate or a chart showing what each monthly payment would actually be. I later found out that I would be paying almost \$20 in interest a day. It was a very deceiving process.

After making the first few payments, the balance was not changing. I was only able to pay interest with my payments. So I fell behind in payments. CashPoint began calling me constantly, demanding that I pay. I tried to talk with them about the interest rate, but they would say it wasn't their problem. They eventually took my truck right out of my driveway, without any warning. It was the most horrible day. I understand that people need to make a living, but not this way.

I feel that there should be a cap on the interest rate that they can charge people. I also wish there had been full disclosure when I signed up for the loan. I only got part of the information. It would be much easier to make an informed decision if they could tell you how much you would be paying in total, and what each monthly payment would be. Instead, I only got what the first monthly payment would be without realizing the following months would be different.

47. LOUIS (HENRICO, VA)

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Every time I see TV commercials for places like TitleMax, I seethe. I made the mistake of getting a title loan with them when I was working two part-time jobs and doing everything I could to put a roof over my wife and kids' heads. We were fighting homelessness at the time, and I had just





been chosen to receive a vehicle donation from a charitable organization based on my need to get to and from work. I was the only source of income for my family at the time. Because of my experiences with TitleMax, I am still fighting homelessness over two years later.

I took the loan out to get enough money to move my family into an apartment. I had seen a commercial for TitleMax, and when I went in, they made it seem so easy to get money. It was before the first payment was even due that I knew I would be in trouble. The interest was so high that I was going to be short on the payment – I thought I was going to be trapped. But the TitleMax workers made it seem like it wouldn't be a problem. They told me they could simply extend my loan for a small fee. I later learned that this was the way they would keep me in their cycle. The small fee and loan extension meant that my later payments weren't going towards the principal amount I owed, just the interest. My debt continued to increase.

Eventually, I got a call from TitleMax asking me to come in to talk. I came over immediately, and I felt like we had reached an understanding. I walked out feeling like I was going to be able to save my car. But that night, while my family and I slept, they came and took the car. Just like that, it was gone. I couldn't get to work anymore. At the time, I worked at a Red Lobster in Midlothian, Virginia, and would have to drive down to Petersburg after my shift to my second job at Fort Lee.

I strongly believe the Consumer Financial Protection Bureau should make it more difficult for these places to set up shop and prey upon people's weaknesses. Every time the leash gets tightened, they find a loophole to slip through. I wish you could totally shut them down. Even to this day, I am still struggling with homelessness. It all got worse because of this loan.

#### 48. KATINA (RALEIGH, NC)

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When I was in the middle of some financial difficulties, I looked into getting a title loan from Loan Max in Emporia, Virginia because I had a paid off car. It was an experience that made me realize these companies take advantage of people in desperate situations by putting them in a no-end cycle. The way my contract was worded made it very unclear how my payments would be applied. If I was late on a payment, I'd get charged a \$5 or \$10 fee that they made seem like no big deal. What I think they were doing was just keeping my payment the same, but taking that amount out of what should have gone to the principal. The high interest rate meant that my principal balance grew way more than the late fee.

Because of my limited income and the fact that they made it seem like a day or two late was no big deal, I ended up making a few late payments. I had borrowed \$1,000, and by the time I paid \$2,600 back, they told me I still had \$1,100 to go – more than I originally borrowed! To make it worse, they bully you. When I tried to get them to explain what was happening to my payments, they were rude and wouldn't answer my questions. They know people go to these places when they are desperate, and there should be an interest rate limit. I don't know how these people sleep at night. Their business is set up to take people's cars and money.



49. ADRIENNE (WOODBIDGE, VA)

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I had fallen behind on my bills, and to try to get ahead a little bit, I looked into a car title loan from TitleMax. I did some research online, and while I knew these types of loans could be predatory, I didn't know they would be *that* predatory. I still decided to go in to talk to them because of my financial state. When I was talking to the worker, I did not get a good idea of what kind of repayment plan I was getting myself into. They weren't clear about the process – of course, they won't share that many details with you because they don't want you to change your mind.

When I looked through the paperwork at home, I realized I would be paying back more than double what I borrowed. I don't know why they are allowed to charge such high interest rates. You go to that kind of place because you are in distress. That means I got behind a few times on my payments. TitleMax would immediately start harassing me. They would call me three or four times a day, and even called my new job several times. It was very embarrassing. I had never had anybody else call me at work or so often if I was a few days late on a bill.

Luckily, my new job came with decent pay. I was able to pay the loan off early, but some people are not in that situation. They stretch the loan out and let the interest build up. I don't think they should be able to charge such high interest rates to people who have nowhere else to go.

50. T.F. (HENRICO, VA)

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I am the only source of income for my family. I have four children and a husband who cannot work. This means it is hard to stay on top of bills and have money for groceries. I have turned to title loans and payday loans when I go into desperation mode, but it's only a quick fix. It doesn't help in the long run. Every time I have gotten into one of these loans, they rush through the paperwork and make it hard to understand what my interest rate means for my total payment. I also am not able to get a straight answer about where my payment is going – but I feel like I just make payments, payments, payments and none of it goes to principal.

When I have missed the due date for a payment, they call me every day. I try to be very good about communicating with them. I have heard from other people that if you don't, they call your references or job. When I have been really far behind on a payment, they will threaten to come take my car. I always try to keep in touch and stay current on my payment, but I really think the interest rates they charge are too high. Over 200% is unreal, and it needs to be looked at harder.

51. TERRIA (PETERSBURG, VA)

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My first experience with a predatory loan was from a payday lender. It was about three years ago, and I needed a little extra money for my car. I went to the store, and they basically had me sign a bunch of different places without explaining anything to me. They said I would get \$300 cash afterwards. I had no idea how high the interest rate would be. I was able to pay it off in four months, but I ended up paying them back over \$1,000 total.





I didn't want to go back to this type of place for money, but I had a later incident that involved hospital bills. I was able to use my car title to get a loan. Again, I paid it off, but it cost me a lot of money. I was desperate and my credit wasn't good enough that I could go anywhere else.

Even though I paid both of these loans off, I began to receive threatening phone calls about unpaid debt. I learned it was a scam, but these people called me daily and threatened to have me arrested. They left a voicemail on my mother's phone, telling her that if I didn't pay this fake debt that they would come to my job just to embarrass me. I really think the laws need to change for these kinds of loans. The interest rates are way too high, and I think there should be punishments for making harassing phone calls.

#### 52. JULIE (CHESAPEAKE, VA)

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I am self-employed, and due to the economy, there was a time period where I lost a substantial portion of my customer base. I needed to keep the business going, but money was very tight. I had already paid off my car, so I decided to look into a car title loan. The process was pretty easy. They looked at the car, looked up its value, and asked me a few basic questions. One thing they wanted to know about was my family, and contact information for them, in case something went wrong and I couldn't pay. I took it to mean they needed to be able to track my car down if I couldn't pay.

I was still making some money and was able to make extra payments to try and cut down on how much interest I was paying. My loan came with an interest rate of over 150%. But every extra payment I made barely touched the principal because the interest built up so fast. I ended up paying almost twice of what I borrowed. I never got behind on my payments, luckily, but I still tell people to never go to one of these kinds of lenders. They hope you can't pay it off, and that's dirty to people who are stuck in that situation.

I think the interest needs to change. There needs to be options for people for a lower interest rate. It would help a lot of people. Right now, I wouldn't wish these loans on anyone.

#### 53. TITUS (RICHMOND, VA)

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Our client and his wife faced unexpectedly high costs when his wife required emergency medical services and gave birth to their child in early 2015. After being hounded by debt collectors over several thousands of dollars owed towards medical bills, our client spoke to a representative at TitleMax about the possibility of a \$4,000 loan. The representative encouraged him and his wife multiple times to take out more than the \$4,000 they needed for her medical bills, advising them that a larger loan would be easier and better for the couple. Our client eventually agreed to enter into a two-year loan for \$10,010 to be repaid in 24 installments of over \$1,100, at an annual percentage rate of 120.46%, for a total amount due of \$26,816.15. The contract was further secured with the title to his 2011 pickup truck. The monthly loan repayments exceeded a third of our client's household income, information that was gathered as part of the loan application process.



TitleMax provided our client with conflicting and inaccurate information regarding his rights and responsibilities under the loan. TitleMax represented the loan to be a vehicle title loan, which comes with consumer protections adopted by the Virginia legislature. TitleMax instead had him sign a consumer finance loan, offering none of Virginia's vehicle title loan protections.

When our client inevitably fell behind on payments, TitleMax called him and his wife several times a day for long periods of time, attempted to repossess his vehicle without notice, and called his mother, father, and mother-in-law in attempts to collect. As a result of the loan, our client suffered financial harm, emotional and psychological harm due to aggressive debt collection practices he was a victim of, fear of losing his vehicle, and the need to sacrifice his family's needs in order to pay for a loan that TitleMax knew to be unaffordable.

#### 54. MARIANA (RICHMOND, VA)

Our client's husband lives in the Philippines, but makes an annual trip around the end of each year to see her for the holidays. Our client, with a very tight budget, needed about \$1,200 to pay for her husband's plane ticket. Without other options, she inquired about a short-term loan from TitleMax in order to pay for the trip. She told them she wanted a loan for a few months, which she would pay back after receiving her tax return. TitleMax told her they could not offer loans for less than two years, and proceeded to encourage her to borrow up to \$10,000 instead of the \$1,200 she needed. After reassurance she could pay the loan off early and save on interest, our client signed an agreement, secured by title to her vehicle, for \$3,510. Her long-term loan came with an annual interest rate of 131.86%, requiring 24 monthly payments of over \$400 each, totaling \$10,082.19 in repayment. She was also required to provide contact information for references, which she was told would be used to check her creditworthiness.

TitleMax represented the loan to be a vehicle title loan, which comes with consumer protections adopted by the Virginia legislature. TitleMax instead had our client sign a consumer finance loan, offering her none of Virginia's vehicle title loan protections.

After making several monthly payments, she faced unanticipated healthcare costs. Once she fell behind on her loan payments, her "references" began receiving phone calls from TitleMax regarding her late payments. Our client also received constant phone calls deriding her for being late, threatening to repossess her vehicle, and mandates that she was not authorized to leave voicemails with TitleMax regarding her loan. As a result of her loan, she suffered financial harm, emotional and psychological harm due to aggressive debt collection practices, fear of losing her vehicle, and the need to sacrifice other obligations in order to pay for a loan she could not afford.





55. LUCINDA (HENRICO, VA)

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I am a single mother, working full time. I still struggle with money, however. I was behind on rent and began to get threats from my rental office about eviction. I was afraid of what would happen if my son and I lost our home, so I went to TitleMax. I didn't know what I was getting into, and I wish I had never borrowed the money from them. If I could go back and change it, I would, because they made everything worse. I felt like I made a deal with the devil.

The interest on my loan was so high – I felt like I could be paying on it for years without making a dent in the balance. I fell behind on those payments as well, and I started getting threats. They said they were going to take my car and that I would never see it again if I couldn't pay. I was scared, but luckily, I got legal advice. Once I showed them my contract, they said it looked like I had a consumer finance loan instead of a car title loan. I got the loan from TitleMax, and they wanted my car title, so I had no idea I didn't actually have a car title loan. We filed a lawsuit against them, saying that they told me I was getting a title loan when it really wasn't. They ended up terminating my loan and paying me back what I lost, because they got caught.

I hope that you change the rules so these companies can't continue to operate like they do. They prey on poor people. I only see these companies set up shop in low-income areas. It's really sad that we still live in a world that's so divided. I know people who just needed a little help, but because they got one of these loans, they ended up losing their car. Then they couldn't get to work, so they lost their job. Then they are looking at being homeless. High interest loans keep people in poverty. It's a vicious cycle that you can't get out of.

56. CYNTHIA (RICHMOND, VA)

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I am disabled, and my husband lost his job after he had some medical issues. We have always been able to support ourselves and our four children, but during that short time period when he wasn't working, it was hard to make ends meet. We still had to put food on the table, and my husband wanted to look into getting a small car title loan. So we went, and the woman working there said she could get us set up quickly. All she did was look at the car, take some pictures, and looked up its value. She didn't even ask to see income verification. She offered us a \$500 loan, and I wish I had known more before I signed.

Our payment was \$123 a month. I went and paid that amount for four months, and by that time my husband had gotten a job again. Since I had paid close to what we borrowed, I thought we should be close to paying the whole thing off. When I went in and said that's what I wanted to do, I was told by the employee that the outstanding balance was over \$600. I couldn't believe it, and after asking for more information, I found out that each month's payment I had already made was only going towards interest. I had enough to pay it off, but I felt cheated. You're already in the depths of hell if you have to resort to a place like that for a loan, and they just keep piling it on you. They prey on people who are vulnerable.



57. LINWOOD (RICHMOND, VA)

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I have been disabled for a number of years, after having a stroke in 2011 as well as other issues. I haven't been able to work, but I get a disability check. My wife was working, but became disabled after getting injured on the job. We don't have as much income as we used to, and we got a car title loan to try to save our house. We had done a title loan in the past without too much issue – it was for one year with a fairly low interest rate.

I assumed this second one would be the same basic situation, because the application process was the same. But once I got about a year into the loan, the balance hadn't really changed. I didn't understand how that was possible. Our payment was \$480 a month for a \$4,010 loan. We had paid a little extra when we could, so by this time we had paid a little over \$6,000 back. But the balance was \$3,400. When I started asking questions, they told me I actually had a two-year loan, and the interest rate was much higher. In the beginning, it was building at over \$13 a day. Now it still adds about \$9 each day.

Our income has become more and more strained since getting this loan, and I'm starting to get behind. We still lost our house, which was the whole reason we took the loan out in the first place. Even with help from our church, I don't think we can keep up with all of the living expenses and medical bills on top of this loan. They have told me several times that they will repossess the car if I am late, and it puts a strain on me. I don't know what to do, because if I lose my car, my wife and I won't be able to make our doctor's appointments.

58. ALTARIQ (RICHMOND, VA)

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I am on a fixed income, and I needed to make some minor repairs on my Ford Explorer. I got a \$400 car title loan from Check Into Cash, but I didn't really understand how difficult the interest rate would make it to pay just \$400 back. I've made nine payments of about \$90 each and my balance is still \$235. My interest rate is 240.83%, so I've paid back over \$800 and I haven't even paid off half of the original loan amount. I have never missed a payment or gotten a late fee.

At this rate I feel like I will end up paying close to \$2,000 for just a \$400 loan. It's made it hard to get by on my limited income, and I would never have taken this loan out if I knew I'd have to pay back so much.

59. E.S. (CHANDLER, AZ)

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I have paid close to \$25,000 on a \$4,000 car title loan over the past four years. I was in between jobs, and the place I went to made everything seem so simple. The commercial I saw and the employee I spoke to made it seem like a risk-free loan – I'd get the money immediately, and then I'd have some breathing room to take care of my other bills. I still owe the original balance of the loan, \$4,000, and the car is only worth \$2,000 at this point. My payments range between \$450 and \$600 a month, and I have never missed one. I've considered just letting them





repossess the car at this point, but they threaten to sue me for the balance since the car isn't worth what I owe.

Even though I've never missed a payment, I have been late by a day or two. They call constantly, sometimes every hour, demanding payment. They say if I don't pay, they will track me down and take the car while I sleep. I'm afraid they've also called some of my "references" I had to list when I applied, which is humiliating. This loan has cost me so much money. I want to put my daughter through college, but I can't afford it because of this.

There needs to be a cap on the interest rate these lenders can charge. There also needs to be more disclosure when you apply for it. They didn't care if I could pay it back or not. They didn't even ask me if I was working. They just wanted to see the car title and the car itself. People get in desperate situations, and they feel like they have no choice. That's what happened to me. I feel like I'm paying a mortgage payment for a house that doesn't exist.

#### 60. D.G. (CHESTERFIELD, VA)

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I am living off my retirement and income from two rental properties. I had unexpected expenses come up when I needed to pay for auto repairs and house repairs for my tenants. To make ends meet, I opened up a line of credit at the Loan Store about two years ago. The interest and fees quickly added up, and over the course time I had to take out more loans from other companies to try and make payments. I've even gone back to work to try to pay my loans off.

I am now at least a month behind on all of my bills and mortgages, and have had to deal with texts and phone calls threatening legal action if I don't pay up on my loans. These threats have even come from loan companies who aren't licensed to do business in my state, which I recently found out makes the loan illegal. I think the government needs to step up and help put an end to these type of loan companies taking advantage of people.

#### 61. ANONYMOUS (HENRICO COUNTY)

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My daughter has had trouble with mental issues and homelessness, and had gotten an open-end line of credit at an annual interest rate of 250%. For privacy reasons, I don't want to use her name or mine, but I think it's crazy what they did to her. Once I found out what she had gotten into, I learned she had taken out \$400 and paid back over \$500, but she still owed more than she had originally taken out. The company got my information and began to call me constantly for months, and they only stopped once I threatened to sue them for harassment.

I hope the Consumer Financial Protection Bureau does the right thing to put an end to these kinds of situations. I have contacted my state legislature and they were no help. I think it's completely irresponsible to allow businesses like this to exist.



62. RICHARD (WASHINGTON, D.C.-Virginia loan)

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I walked into a trap when I had lost my job and was trying to make sure my family could stay in our home. I got an open-end line of credit and took out \$1,500. I told them my circumstances, and they said I wouldn't be charged interest if I came back within a couple of weeks – they would re-write the loan if I wasn't able to make the full payment. Based on that, I made the mistake of signing their forms. When I came back, the manager said what I was told earlier was not the case, and that I had to pay that day or my fees would increase. She also threatened me with legal action. I hadn't even received a contract at this point, but when it came in the mail it was clear that the contract terms were completely different than what was represented to me on my first visit.

I made four payments of almost \$500 each, and my balance never changed. They took money out of my bank account without me knowing it was even in the contract. I had to hire an attorney to get a settlement agreement. I still ended up losing the house and had to move in with other family members. I hope the laws on these loans change so that they can't take advantage of people like this. Every time I went in, there were other people in line getting told the same story that I listened to that first visit.

63. J.L. (VIRGINIA BEACH, VA)

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When I lost my job, my husband and I were falling behind on our bills even though he was still working. We decided to get a small loan to try to catch up, but we did not realize how high the interest rate was going to be. The first loan was for \$850, but the interest rate was 264%. To make sure we could make our payments on time, we had to take out loans from other places. It is very stressful to have to go to one place, get a loan, but then go straight to another place to make a payment.

For all of our loans, we cannot get ahead because each payment goes mostly to the interest. The principal barely gets touched, and if you fall behind it's like your earlier payments didn't even matter because of the interest and late fees. These loan sharks kill you with the interest. I am working again, but we still can't get ahead even with two incomes.

64. TIANNA T. (ALEXANDRA, VA)

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When I took out a loan from Allied Cash Advance, I had missed several days of work to take my special needs son to the doctor. Without money for those days, I was desperate because I needed to pay my rent. I only borrowed about \$300, but I was unable to pay it back because I lost my job soon afterwards. The calls started coming immediately, and I am still getting them four years later. They tell me that they are going to take me to court and that I will go to jail for fraud. I get phone calls at least once or twice a week trying to scare me.

I really think there needs to be changes made for these companies. They target people who really need the money, and then give them high interest rates. They would not work with me when I told them I lost my job – they just told me to make my payments or go to jail. I tried to make partial payments but they would not accept them. I was just trying to keep a roof over my son's head.





65. ALEX (MARYLAND-Virginia loan)

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I was working in real estate but had fallen behind on some bills. I got a \$500 open-end line of credit from Allied Cash Advance, but they did not make it clear to me that I would basically be making interest-only payments. The loan put me in a bigger hole than I was when I started. I think it is ridiculous that they can charge such a high interest rate when all you need is a little help. When I fell behind, they began calling me and making threats that they would send people to my office. I was worried, because I worked in a professional setting and didn't want to be embarrassed like that.

It took me about a year to pay the loan off. I had to come up with the full amount I borrowed plus the accrued interest so I could make one big payment. I feel like I just gave them \$2,000 in the process. I feel like lenders need to be more upfront with you about the interest rate and how much of the payments were only going to interest.

66. LYNN (RICHMOND, VA)

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My only experience with payday loans was a negative one. I needed money to help pay my rent. I was, and still am, working in an operating room, but I was stretched thin. So I went to a local Check 'N Go for a small loan. I thought I was winning by taking this loan out to pay my rent, but I lost when it came to paying it back. Even though I only borrowed a small amount, the interest rates made my payments very hard to keep up with. I fell behind, and the harassment started immediately. I would get phone calls every day, threatening to come to my work and have me arrested. I was afraid I would lose my job, because even if they didn't come, the stress made it so that I couldn't work. I was afraid of being sent home for the day.

I tried to work with them to make affordable payments, but they don't want to work with you. They terrorize. I've noticed that I never see these payday loan stores in nicer areas – they prey on people like me, people who need help the most. We fall for the bait and lose every time. I was trying to do the right thing. I wish I had talked more about my loan, because my daughter ended up getting tied to a car title loan. She was another single woman trying to take care of her kids. Two of them have special needs, and she needed to feed them and keep the lights on. She was also harassed with threats of repossession and arrest. In the end, she paid off more than twice what she borrowed, but she had to park her car in different places every night. The money she borrowed was nothing compared to the money she had to pay back, and she has three kids to take care of by herself.

I think the laws should change to give people like my daughter and myself a better bargaining position. I wanted to work with them and pay them back, but I don't think I deserve to be threatened with arrest every few days. It's horrible.



67. TESS (GAINESVILLE, VA)

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Like most people who go to places like Check Into Cash, I needed some help to pay outstanding bills. I had bad credit at the time, and there's no help for people in that situation. I was working, but it wasn't enough to dig myself out of the hole I was in. I knew it was a bad idea, but I felt like I didn't have any alternatives. I entered into a string of payday loan contracts, and ended up in a worse financial position than I started out in. It was a huge struggle to pay everything off. I was able to pay them all back in full using my tax returns, but the whole process was stressful and very expensive. The high interest and the aggressive phone calls from these places was shocking.

Once I made my final payment, I thought I was done. But years later, I got a phone call at my job from someone saying that I owed \$600 or so from one of the old loans. I had documentation that it was all paid off, but this woman who called was very threatening. She had already talked to my supervisor about this loan. She told me it was never paid off, and now they were going to send people to my office to serve me with warrants. I was pretty shaken, but luckily I got some legal advice on the issues and found out that this is a common debt collection scam and many people fall for it. The same woman called back twice, but with this information I was able to stand my ground.

68. ANONYMOUS (RICHMOND, VA)

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Our client is disabled and unable to work, living off social security as her sole source of income. To meet an immediate financial need, she went to Allied Cash Advance to learn about a short-term cash loan. She was told by an employee that they could offer her a line of credit with 0% interest, charging her an \$80 participation fee instead of interest. The employee simplified the agreement by telling our client it would be like giving her \$100 now and she would have to pay back \$180 later. Relying on the employee's statements, she entered into the agreement.

Our client later learned that the participation fee was actually a monthly \$80 fee. As the months went by with her being unable to pay the increasing fee balance, she was also unable to get a monthly statement from Allied Cash Advance. They refused to mail her statement as she requested, instead creating an email address for her to send it electronically. She told them she did not want an email address because she could not afford internet access on her fixed income. Despite her protest, Allied Cash Advance refused to mail her monthly statements so she could keep track of her loan balance.

69. JOYCE (RICHMOND, VA)

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Our client's sole source of income is \$1,257 a month from social security. Facing an immediate financial need that could not be covered by her monthly income, she sought information from Allied Cash Advance about a short term loan. A representative explained that she could get a \$580 loan, which she understood to mean a one-time loan to be paid back in equal, monthly installments. Instead, our client was provided a "line of credit agreement and plan" with an annual interest rate of 273.75%. The contract characterizes this loan as an open-end line of credit, but no additional credit was ever available to her.





Because our client lives on a fixed income, and the minimum required payment is only slightly larger than the monthly interest accrual, this loan put her in a position of owing an extremely high amount compared to her initial, modest loan amount of \$580. Additionally, there is no foreseeable payoff date for a borrower in this position, and by disguising the loan as an open-end line of credit, Allied Cash Advance avoids the protections and procedures required of closed-end loans.

#### 70. NINA (RICHMOND, VA)

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I am a single mother, and it is important for me to have transportation so I can get to and from work to support my children. When my car needed repairs, I didn't have enough money saved up to pay the mechanic. I had seen advertisements for Check Into Cash, and since I couldn't get a loan from the bank, I went there. I knew that when most people get these kinds of loans, it's out of desperation. They make it seem so easy – you borrow, you make these payments, and that's all there is to it. And when you are in a spot like I was, you aren't thinking clearly. So I signed up and got an \$800 loan.

Initially, I was making my payments on time. I went in every two weeks to make my payment, but they were high enough that I needed to re-borrow more money at the end of the loan. At some point, the loan they gave me had a higher interest and I didn't realize it. I thought I was getting the same deal I had been getting. But from then on, they took my same payment amount and I didn't know that I wasn't even touching the main balance. Everything went to interest and fees. I still had to pay my other bills and rent, buy groceries for me and my three children, and make sure I had enough for gas to get to work. I was spread so thin, that the smallest hiccup in my budget meant I'd have to give up on something.

When it got to the point where I knew I wouldn't be able to make my loan payment, they took the payment straight from my account anyway. It was higher than what my previous payments had been. With the money out of the account, it messed up the rest of my finances for the month. Then, two weeks later, they did the same thing. I had to close the account because I couldn't keep up. They started to threaten me with court. I tried to work out a different pay arrangement, but they wouldn't work with me. Their settlement offer was the full amount, and they knew I couldn't pay it all at once.

I got some financial help from my church, which allowed me to keep my car and our apartment. With that help, I started making payments again. They wouldn't help me out over the phone, but I learned if I went to the store, they would accept the money. In the end, I paid it off – but I paid over \$3,000 for the \$800 loan. The interest is what gets people. It happened to me, and I've seen it happen to several other people. If you're desperate, you'll do anything to get by. But when you have no savings to fall on, something is going to come up and you're going to be short. I tried to budget for my loan payments, but I didn't think "what if something happens?" In my opinion, they take advantage of people knowingly. They set up shop in the poorest neighborhoods, where they know people will be desperate enough to come to them.



71. ANTONIO (RICHMOND, VA)

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I was having some issues with my home, and as a result, was not going to be able to make all of my bill payments. At the time, I worked two jobs. Because I felt like it would just be a temporary money issue, I decided to take a loan out from Check City. I borrowed \$500, but as part of their application, they made me go ahead and write them a check for the full loan amount plus their fees. So when I borrowed \$500, they got a check for over \$500 back. They said they would keep it in case I stopped paying, and I would get it back at the end.

I was supposed to make four payments to pay the loan off. Each payment was close to \$300. I made the first two on time, but on the third payment, I got there shortly after they closed. I had gotten off work late, and couldn't make it in time. I went back first thing in the morning, but they refused my payment and said they had already started the process of cashing the check I wrote during my application. I knew there wouldn't be enough money in my bank account – that's why I needed the loan in the first place. But they didn't care, even though I had the payment ready to go in cash. Instead, they wanted the full amount on the application check and it caused me overdraft fees and returned check fees on top. I was also worried they might try to charge me with writing a bad check.

I think they shouldn't be allowed to force you to write a check you know you can't cover just to sign up for the loan. I had already paid half of my payments, then they tried to cash the check for more than I originally borrowed. It caused me a lot of extra fees and worry, and now they are in the middle of trying to garnish my wages. It keeps getting more and more expensive, and I can actually make the original payments. I just missed their store hours by half an hour.

72. ANONYMOUS (RICHMOND, VA)

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When my car insurance bill was coming up, I knew I wouldn't have enough money in my checking account. To keep it from being overdrawn, I got a loan from a local store. They said it wasn't a payday loan, but it was structured so that if you don't pay the entire thing off in thirty days, the interest will kick in and it will get away from you. What they encourage you to do is pay the balance plus the high fees, then just start it over and get a new loan – with new fees. It became a cycle for me. Because of the fees, I went from needing it to pay my car insurance to needing a loan to pay for groceries, bills, and gas.

Eventually, it came to the point where I knew I couldn't keep up with the loan. I had always been in contact with them, because they call you before a payment is even due. You have to answer, because if you don't, they'll call you at work. When they called that time, I told the woman that there wasn't enough money in my account. They made me write a check when I got





the loan that would cover the amount I borrowed and all of their fees. I told her I couldn't pay it, and asked her not to deposit the check because it would overdraw my account and cause a returned check fee. She said she had to run it through anyway. This created a series of overdrafts, and I was living with a negative account balance every pay period.

I knew my hands were tied, and I looked for legal help. I wasn't really sure if I had any legal recourse, because I remember part of my contract saying I wasn't allowed to hire an attorney if there were any issues with the loan. A sheriff's deputy had also taped a warrant in debt on my door, telling me to appear in court. I thought they were going to get me. If you're not used to getting legal documents, it is very intimidating. I feel like they take advantage of people who don't know they can get legal help with these kinds of cases, because their attitude changed very quickly once they found out I had an attorney.

Based on what I've been through this last year or so, they need to shut these places down. It's a hole that's too easy to dig yourself in. When you need cash bad enough to go to a place like this, you're not thinking clearly. They rely on people with that type of need. It's been a journey for me, but I've learned to do without. It's not worth getting these kinds of loans.

