



## Consumer Federation of America

For Immediate Release  
May 1, 2006

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### **CFA Launches New Web Site on Payday Lending for Consumers**

**[www.paydayloaninfo.org](http://www.paydayloaninfo.org)**

Washington, DC: This week Consumer Federation of America launched a web site at [www.paydayloaninfo.org](http://www.paydayloaninfo.org) to help consumers and policymakers combat extremely expensive check-based lending. Payday loans are small cash loans, secured by the borrower's personal check, and due to be paid in full on the borrower's next payday.

The consumer information site includes the basic facts on how payday loans work, industry information, the legal status of payday lending and key features of state laws and regulations in all fifty states.

"Often web sites about payday lending are thinly-veiled loan referral sites or advertising sites," Jean Ann Fox, CFA's director of consumer protection stated. "CFA's [paydayloaninfo.org](http://www.paydayloaninfo.org) web site provides consumer-oriented advice and information to help protect borrowers against becoming trapped in high-cost, high-risk payday lending."

Consumers can calculate the cost of using payday loans by entering the dollars borrowed, the fees charged, the length of the loan and the number of loans or renewals used during a year.

"Consumers may be shocked to find out how expensive it is to use payday loans. A typical payday loan user has eight loans per year at a single lender," Ms. Fox added. "At a fee of \$15 per \$100 for loans due in two weeks, a typical consumer borrowing \$300 will end up paying \$360 in finance charges to use \$300 for sixteen weeks at an annual interest rate of almost four hundred percent."

[Paydayloaninfo.org](http://www.paydayloaninfo.org) offers advice and information for consumers, links to research and reports, and updates on timely issues. Visitors can click on their state to connect with state regulators to file complaints or get information.

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*CFA is a nonprofit association of some 300 pro-consumer groups, with a combined membership of 50 million people. CFA was founded in 1968 to advance consumers' interests through research, advocacy and education.*