



**Consumer Federation of America**

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## **CFA Survey of Online Payday Loan Websites August 2011**

### **Executive Summary**

Consumer Federation of America (CFA) surveyed a sample of twenty Internet payday lender websites. Key findings include:

- Lenders require electronic access to borrowers' bank accounts. Instead of holding a paper check to secure payment of loans made at payday loan stores, Internet lenders gain authorization to electronically deposit loan proceeds and withdrawn payments directly from borrowers' bank accounts.
- Borrowers complete online applications and provide Social Security numbers, bank account and bank routing numbers in online applications.
- Surveyed loan size ranges from \$100 to \$1500, with payment/s due on the borrower's next payday with loan terms ranging from five to thirty days.
- Typical cost of a \$500 loan is \$125 or 652% APR for a two-week loan. Surveyed loan cost ranged from a low of 378% in Kansas to 780% charged by six lenders.
- The default payment plan for most sites is to pay the finance charge only, with no reduction in loan principal for several paydays. To initiate payment in full, a borrower has to notify the lender days before the due date to request the lender to withdraw the full amount.
- While some lenders purport to be state-licensed and to comply with state rate caps and loan terms, many online lenders claim choice of law from states with no rate caps or from foreign countries. A growing number of online lenders claim to be exempt from state law enforcement due to tribal sovereign immunity.
- Online lenders pay up to \$110 for referrals of qualified loan applications from lead generators or affiliate marketers and some lenders encourage borrowing by offering discounts on the initial loan. Online lenders that make loans in states where licensed typically also link applicants to lead generators when applications come from states they do not serve.

### **Introduction**

Payday loans are extremely expensive small loans secured by direct access to the borrower's bank account, either through a post-dated check or other authorization to withdraw funds from the account on the

borrower's next payday. The payday loan industry started its modern resurgence as store-front lenders but quickly migrated to the Internet to make and collect loans electronically from borrowers' bank accounts.

CFA issued a survey and report<sup>1</sup> on Internet payday lending in 2004, which found a range of finance charges from \$25 to \$35 per \$100 borrowed, or 650 percent to 780 percent APR for loans of two weeks. The survey noted a proliferation of loan marketing sites, anonymous domain registrations, and difficulty locating or identifying lenders. While some lenders surveyed in 2004 were licensed by state credit regulators, CFA found that most lenders were attempting to export home-state lax regulation or off-shore jurisdictions to escape state consumer and usury protections in the borrower's state. This report updates information on Internet payday loan terms and features from lender websites surveyed in 2011.

In 2011, CFA<sup>2</sup> surveyed a sample of twenty Internet payday loan websites and reviewed all webpages that were publicly available, filled out online loan applications until required to divulge personal financial information, and collected information on loan terms, methods of payment, disclosures, and privacy policies. CFA also conducted a search to determine the registrant location of the website domains for the twenty lenders. The majority of websites have anonymous registrations. See Appendix for the complete methodology and three survey charts.

## **Internet Loan Applications, Qualifications, and Screening**

### **Loan Applications**

Loan applications are completed on the lender's website and electronically transmitted to the lender. Internet payday lenders use two types of loan applications which are completed online. Some sites post the entire application on one page so that it is visible in full while other sites break the application into shorter sections, viewed on multiple pages. In the latter case, consumers can only proceed to the next application page after they have completed the current page. The multi-page application is viewed as less intimidating to borrowers, however prospective borrowers cannot view the total information requested until after they have filled out early pages of the application. Furthermore, it may be unclear to the applicant whether their application has been completed or what happens to personal information if only a few of the application pages have been completed.

Online loan applications request personal and financial information, including the applicant's Social Security number, bank account and routing number, and employment or source and frequency of income. To see an example of a full internet payday loan application, go to [www.payday-loan-yes.com/loan\\_application.asp](http://www.payday-loan-yes.com/loan_application.asp).

### **Qualifications to Borrow from an Online Payday Lender**

Most surveyed sites listed basic requirements for borrowers to qualify for loans. For example, Mycashnow.com requires borrowers to be 18 years old, to have a checking account active for 90 days or more, and make \$1,000 per month or more. Borrowers must provide a current phone number and the lender verifies current job status with an employer.<sup>3</sup> CashNetUSA requires applicants to have an active checking account, to have been on the

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<sup>1</sup> Jean Ann Fox and Anna Petrini, "Internet Payday Lending: How High-priced Lenders Use the Internet to Mire Borrowers in Debt and Evade State Consumer Protections," Consumer Federation of America, November 30, 2004, available at <http://www.consumerfed.org/financial-services/credit-and-debt/payday-loanscar-titleother>.

<sup>2</sup> Survey conducted by Jean Ann Fox and Catherine B. Bourque, CFA.

<sup>3</sup> <http://www.mycashnow.com/Cash-Advance-Online-faq.php>, last visited 8/26/11.

job at least one month, be a US citizen or permanent resident, and be at least 18 years of age.<sup>4</sup> To qualify for a Tremont-Financial loan, borrowers must be employed at least three months, get direct deposit of pay or income, earn at least \$1,200 gross monthly income, not have combined payday loan debt of more than 75 percent of take-home pay, and have an open bank account that accepts electronic deposits via the Automated Clearinghouse (ACH).<sup>5</sup> Nationwidecash requires net income of \$1,200 per month to qualify<sup>6</sup>, while Americashadvance sets the income requirement at \$1500 post tax monthly income.<sup>7</sup>

### **Online Lenders Use Specialty Credit Reporting Companies to Screen Borrowers**

None of the lenders in our sample used the Big Three credit reporting companies (TransUnion, Experian, or Equifax) to determine credit-worthiness for borrowers. In fact, one of the selling points for online lenders is that they do not run a credit check and that bad credit does not disqualify borrowers.<sup>8</sup> Online lenders disclose that specialty credit reporting companies are used to screen applications, typically Teletrack.<sup>9</sup> Other credit screening or data companies listed by lenders include Clarity Services, Inc. (DiscountAdvances, CashnetUSA, MyCashNow), Accurant (Paydayone), DPBureau (Nationwidecash), Telecheck (Mypaydayloan), and Veritec (CheckintoCash). CashNetUSA notes that an applicant can be declined if she has defaulted on a past loan, but claims that four out of five applicants are approved.<sup>10</sup>

Online lenders tell borrowers that bad credit is no problem. Americanwebloan states “Don’t worry if you have some bad things on your credit report --- late payments, missed payments, even bankruptcy – everyone does.”<sup>11</sup>

Some websites note that loans are not available to active duty service members or their dependents while others ask for military status on applications.<sup>12</sup> Since CFA could not fully complete application forms,<sup>13</sup> it is not clear that applications from service members are denied, payday loans are made, or other loan products are offered.

## **Internet Payday Loan Terms and Price**

### **Internet Payday Loan Size and Term**

Loan size varies by lender and by whether the online lender complies with state payday loan limits.<sup>14</sup> The surveyed sites offered loans from \$100 to as high as \$1,500 with the maximum loan size at thirteen sites at \$1,000 or more. Stephens Inc. reports the average internet payday loan as \$380.<sup>15</sup> For example, Americashadvance loans up to \$1500 for a first-time loan with approved credit,<sup>16</sup> but some online lenders offer

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<sup>4</sup> [www.cashnetusa.com/how-it-works.html](http://www.cashnetusa.com/how-it-works.html), visited 8/26/11.

<sup>5</sup> Tremont Financial Minimal Requirements for Approval,

<https://www.eloanserver.com/tremontfinancial/requirements.asp?intlenderid=9996>, visited 8/26/11.

<sup>6</sup> [www.nationwidecash.com/ payday-loan-requirements.aspx](http://www.nationwidecash.com/payday-loan-requirements.aspx), visited 8/26/11.

<sup>7</sup> [www.americashadvance.com/utah/howitworks.asp](http://www.americashadvance.com/utah/howitworks.asp), visited 8/26/11.

<sup>8</sup> [www.ezpaydaycash.com/](http://www.ezpaydaycash.com/), visited 8/26/11 “No Credit Check!” See, also, [www.mypaydayloan.com/faq.htm](http://www.mypaydayloan.com/faq.htm), visited 8/26/11, “We do not perform credit checks, however, we do verify your check writing/loan history with national databases.”

<sup>9</sup> [www.cashnetusa.com/](http://www.cashnetusa.com/) visited 8/26/11. See also, [www.mycashnow.com/Cash-Today-disclosure.php](http://www.mycashnow.com/Cash-Today-disclosure.php), visited 8/29/11

<sup>10</sup> <https://www.cashnetusa.com/loan-application-step1.html>, visited 8/26/11, “The CNU Advantage: 4 out of 5 applicants approved.”

<sup>11</sup> [www.americanwebloan.com/faqs.aspx](http://www.americanwebloan.com/faqs.aspx), visited 8/26/11.

<sup>12</sup> See Military Information box at [www.paydayone.com/modules/directflow/apply.aspx](http://www.paydayone.com/modules/directflow/apply.aspx), visited 8/26/11.

<sup>13</sup> CFA researcher stopped filling out applications when personal and financial information was required.

<sup>14</sup> For the current list of state payday law loan term limits, see CFA’s <http://www.paydayloaninfo.org/legal-status>.

<sup>15</sup> Stephens Inc., “Industry Report: Payday Loan Industry,” June 6, 2011, p. 17.

<sup>16</sup> [www.americashadvance.com/utah/howitworks.asp](http://www.americashadvance.com/utah/howitworks.asp), visited 8/26/11.

smaller loans to first-time borrowers, with larger loans available for subsequent transactions. The duration for online loans varies by website. Nationalpayday.com sets the minimum loan term at 5 days and the maximum at 16 days.<sup>17</sup> Mypaydayloan requires that loans be repaid in 10 to 14 days even if the borrower is paid monthly.<sup>18</sup> Loanpointusa makes loans of 8 to 30 days.<sup>19</sup> In addition, many of the lenders have rewards programs or referral programs that incentivize borrowers to take out more than one loan. (See Marketing of Internet Loans, page 7.)

## Loan Cost

CFA selected the disclosed cost of a 14-day \$500 loan to illustrate cost information. The lowest rate posted was 378.04 percent APR for a loan to a Kansas borrower ([www.paydayone.com](http://www.paydayone.com)),<sup>20</sup> and 404.11 percent for loans from sites that comply with the Illinois Payday Loan Reform Act rate cap. The highest cost of a two-week loan was 780 percent APR charged by six lenders. The most frequently charged fee, \$25 per \$100 borrowed, resulted in a 652 percent APR disclosed at eight sites for the states surveyed. The highest cost lenders use choice of law from states with no rate caps, claim tribal sovereign immunity from enforcement of state usury laws, or are located off-shore. (See Appendix Chart One.)

## Internet Payday Loan Disclosures

### Disclosure of Loan Cost as APR

Payday lenders are required by the Truth in Lending Act to disclose the cost of their loans as a finance charge (the dollar cost to borrow) and the annual percentage rate (APR) which expresses the comparable cost to borrow based on a year. If trigger terms are advertised, lenders' ads must also include the APR and finance charge information. Typically online lenders display charts on websites showing the APR and finance charge for each increment of funds loaned and for each day of loan term.

To view a typical fee schedule, go to [www.aaapaydaycash.com/TruthInLending.asp](http://www.aaapaydaycash.com/TruthInLending.asp)

Only two of the surveyed lenders do not post both the finance charge and APR cost of loans where the information can be seen prior to completing and submitting a loan application ([www.cashdirectexpress.com](http://www.cashdirectexpress.com) and [www.lakotacash.com](http://www.lakotacash.com)).

In some cases, the APR disclosure is available but not on the same screen as the finance charge. For example, the FAQ page at Nationalpayday.com lists the finance charge as a loan fee of 25% without also disclosing the APR in the same answer. The APR chart is at the bottom of the multi-screen document.<sup>21</sup> To illustrate:

### ***FAQ: How much does it cost for an online cash advance?***

*The fee for a check advance is 25% of the amount borrowed, so for a \$100 loan, the fee is \$25, or \$125 total due.*<sup>22</sup>

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<sup>17</sup> [www.nationalpayday.com/diss.htm](http://www.nationalpayday.com/diss.htm), visited 8/26/11.

<sup>18</sup> [www.mypaydayloan.com/faq.htm](http://www.mypaydayloan.com/faq.htm), visited 8/26/11.

<sup>19</sup> [www.loanpointusa.com/RatesGeneral.aspx?state=New%20Mexico](http://www.loanpointusa.com/RatesGeneral.aspx?state=New%20Mexico), visited 8/26/11

<sup>20</sup> CFA did not click on the loan terms for each state for sites that charged rates based on state law. Of the state rates sampled, the Kansas loan was the least expensive.

<sup>21</sup> [www.nationalpayday.com/faq.htm](http://www.nationalpayday.com/faq.htm), visited 8/29/11

In some cases, borrowers do not see the APR disclosure until after getting the loan. CFA located the \$30 per \$100 advanced finance charge disclosure on the Tremont Financial website<sup>23</sup> but borrowers must get the completed loan note to see the 780% APR price tag for a two-week loan.<sup>24</sup> Here is the FAQ on loan cost at Tremont Financial:

***Q. Why does the APR seem so high on the Note & Disclosure Agreement?***

***A. The APR listed on the Note & Disclosure Agreement reflects what the interest rate would be if your advance were to last a full year. In 1999, the Federal Government declared that companies that issue cash advances must disclose interest rates in an annual form regardless of the fact that most payday loans are for less than 15 days. In our case, Tremont Financial does not charge interest on our cash advances, we charge fees, regardless of the length of the cash advance. Please look to the box labeled "Finance Charge" to see how much you will pay for your cash advance.***<sup>25</sup>

Other lenders are very explicit on the cost of their loans. AAAPaydaycash discloses “Our fee for a payday loan is \$25.00 per \$100.00 borrowed, with the A.P.R. ranging from 304.17% to 1303.57%.”<sup>26</sup>

### **Lender Location and Jurisdiction Disclosures**

Consumers who go online to borrow from websites may not know the identity of the lender or where it is located. Besides anonymous domain registrations, many sites provide only toll-free telephone numbers or email addresses for consumers to contact them. Four of the surveyed loan sites gave no geographical location information although CFA spotted one of them on the Delaware licensee list. Another six lenders state that they are located off-shore in the British West Indies, Costa Rica, St. Lucia, or The Grenadines, and claim to be subject only to the law of those island countries. (See Appendix, Chart One.)

Some lenders based in the United States claim to be subject only to the law of the state where they are located, specifically Utah, Delaware, and South Dakota, while two of the lenders in the sample claimed to be exempt from state laws due to tribal sovereign immunity. Over half of the surveyed sites list the states where loans are not available. Lenders tend to list states where loans are not made to reflect states that have sued the lenders or states where payday lending is not legal and state regulators enforce the law. At the other extreme, AmericanWebLoan.com makes loans available in states where high-cost internet payday lending is not authorized, including Connecticut, Massachusetts, New Hampshire, North Carolina, and Virginia.<sup>27</sup>

## **State License Status of Internet Payday Lenders Varies**

### **Online Lenders and State Licensing**

Surveyed online payday lenders with brick-and-mortar stores that have state licenses typically post their licenses online and provide loan terms and cost for state-specific pages on their websites. These include the big chain companies, such as Cash America’s CashNetUSA/Advance America, Check into Cash, and Check ‘n Go

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<sup>22</sup> <http://www.nationalpayday.com/faq.htm>, visited 8/29/11.

<sup>23</sup> [https://www.eloanserver.com/tremontfinancial/Q\\_A.asp?intlenderid=9996](https://www.eloanserver.com/tremontfinancial/Q_A.asp?intlenderid=9996), visited 8/29/11

<sup>24</sup> *Ibid.*

<sup>25</sup> Viewed at [www.eloanserver.com/tremontfinancial/Q\\_A.asp?intlenderid=9996](http://www.eloanserver.com/tremontfinancial/Q_A.asp?intlenderid=9996), visited 8/29/11.

<sup>26</sup> [www.aaapaydaycash.com/faq.asp](http://www.aaapaydaycash.com/faq.asp), visited 8/29/11.

<sup>27</sup> [www.AmericanWebLoan.com](http://www.AmericanWebLoan.com), Lender states it is subject to Otoe-Missouria Tribe American Web Loan Act, visited 8/29/11.

as well as Speedy Cash. Online lenders licensed in the borrower's state often show a picture of the state license on the website.

Sometimes claims of jurisdiction and state licensing are not clear. PayDayOne claims choice of Delaware law but also says it is licensed in eighteen states to make loans in addition to brokering loans as a credit services organization in Ohio and Texas.<sup>28</sup> Aaapaydaycash claims to make loans subject only to Utah law.<sup>29</sup> Since payday lending became illegal in Arizona after the payday loan authorization law expired in July 2010, Speedy Cash offers online loans to Arizona consumers via its sales finance "car title loan" license as "Arizona Express Title Loans," charging 204 percent APR.<sup>30</sup>

Despite a disclosure that "The loan agreement will be governed by the applicable laws," Loanpointusa is charging \$30 per \$100 or 780 percent APR for a two-week loan term in Montana, a state that capped payday loan rates at 36% APR by ballot vote in 2010.<sup>31</sup>

Two lenders in the sample claim to be subject to tribal jurisdiction. The Americanwebloan site says "Please be advised that you are accepting the terms of your loan subject to the Otoe-Missouria Tribe American Web Loan Act and under the authority of the Finance Services Regulatory Commission established under the Act."<sup>32</sup> Lakotacash.com states that "Payday Financial, LLC, is owned wholly by an individual Tribal Member of the Cheyenne River Sioux Tribe and is not owned or operated by the Cheyenne River Sioux Tribe or any of its political subdivisions. Payday Financial, LLC, is a privately owned Native American business operating within the exterior boundaries of the Cheyenne River Sioux Reservation, a sovereign nation located within the United States of America."<sup>33</sup>

### **State Licensed Lenders Broker Loans for Borrowers**

Many of the online lenders that are licensed in some states also refer loan applicants from states where the lender is not licensed or where payday loans are prohibited or restrained by state law to other lenders or lead generators. "Check Into Cash will attempt to process your loan directly. If not, we will attempt to place your request with other companies if you choose this option."<sup>34</sup> CFA clicked on the "Apply Online" link at [checkintocashonline.com](http://checkintocashonline.com), selected "Arizona," and was taken to a listing of six loan-matching sites.<sup>35</sup> Cash America's CashNetUSA.com and AdvanceAmerica.net match borrowers from seventeen states and the District of Columbia with other lenders. LoanPointUSA.com makes loans to consumers in twenty-seven states plus the District of Columbia and matches loan applicants from the other twenty-three states with other lenders or lead generators. (See Chart 1, Appendix) Checkngo.com includes agreement language in the contract to permit the

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<sup>28</sup> [www.paydayone.com/modules/Disclosure/terms.aspx](http://www.paydayone.com/modules/Disclosure/terms.aspx), visited 8/29/11 states Delaware as governing law. The site shows states that are claimed to license this lender at [www.paydayone.com/loan-cost-and-terms.aspx?stateName=none](http://www.paydayone.com/loan-cost-and-terms.aspx?stateName=none), (Hawaii does not license payday lenders) visited 8/29/11.

<sup>29</sup> [www.aaapaydaycash.com/faq.asp](http://www.aaapaydaycash.com/faq.asp) visited 8/29/11.

<sup>30</sup> [www.speedycash.com/states/arizona/rates-and-terms.aspx](http://www.speedycash.com/states/arizona/rates-and-terms.aspx), visited 8/30/11.

<sup>31</sup> <http://www.loanpointusa.com/RatesGeneral.aspx?state=Montana>, visited 8/29/11.

<sup>32</sup> [www.americanwebloan.com/rates-general.aspx?state=Indiana](http://www.americanwebloan.com/rates-general.aspx?state=Indiana), visited 8/29/11.

<sup>33</sup> [www.lakotacash.com/](http://www.lakotacash.com/), visited 8/29/11.

<sup>34</sup> [www.checkintocash.com/how-it-works.htm](http://www.checkintocash.com/how-it-works.htm), visited 8/29/11.

<sup>35</sup> [www.thankyousearch.com](http://www.thankyousearch.com) is the landing site for Check into Cash applicants who select a state where CIC is not licensed. Visited 8/30/11.

lender to share loan applications with a lead generator.<sup>36</sup> In total, one-third of the surveyed sites provided loan match links for borrowers in states where the site does not directly lend.

The CashNetUSA map illustrates the practice of lenders that do loan matching in some states while claiming to be licensed to make loans in others, see [www.cashnetusa.com/fee-schedule.html](http://www.cashnetusa.com/fee-schedule.html)

## **Marketing of Internet Payday Loans via Borrowers**

### **Lenders Use Borrowers to Market Loans**

Payday loan websites use a variety of marketing tools to bring in loan applications. Several sites pay commissions for referrals via affiliate marketing, using companies such as Commission Junction to manage the transactions. SpeedyCash.com pays \$50 for new customers sent by affiliates.<sup>37</sup> Discount Advances<sup>38</sup> and PaydayMax<sup>39</sup> offer a 25 percent discount for new customers with loan renewals at the full price, as does MyCashNow.<sup>40</sup> PaydayOne pays \$50 for referring a friend who takes out a loan.<sup>41</sup> PaycheckToday pays just \$15 for each completed application for a referral, even if the loan is not funded.<sup>42</sup> The top payment for a loan referral in the survey is \$110 paid per approved applicant referred to NationalPayday.<sup>43</sup>

## **Internet Lender Access to Borrower's Bank Account**

### **Online Payday Lender Access to Borrower Bank Accounts**

All of the applications for online payday loans from the sample of lenders required borrowers to provide their bank account number and routing number and to provide authorization for the lender to access the bank account to electronically deposit the loan proceeds and to withdraw payment from the account. Loan proceeds are delivered, typically by the next business day, by direct deposit through the Automated Clearing House system (ACH) or by the Federal Reserve Fed Wire facility. A few lenders will also make loan proceeds available to be picked up at MoneyGram outlets<sup>44</sup> or loaded onto a prepaid debit card sold or provided by the lender.<sup>45</sup>

### **Payment from Any Bank Account**

When applying for an online payday loan, borrowers provide the bank account and routing number for the checking account designated to receive deposit of the loan and to make debit transfer/s to repay the loan. Several surveyed lenders include contract and FAQ terms that appear to authorize the lender to withdraw

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<sup>36</sup> Loan application pre-checked box: "I agree that Check 'n Go may share my personal financial information with non-affiliated companies, as described in Check 'n Go's privacy policy. For example, if Check 'n Go cannot provide me the loan or other financial product I have requested, then Check 'n Go may share my information with an outside company that offers a similar product that may meet my needs." <https://www.checkngo.com/pdlApplication.aspx>, visited 8/29/11.

<sup>37</sup> [www.speedycash.com/affiliates/](http://www.speedycash.com/affiliates/), visited 8/30/11

<sup>38</sup> [www.discountadvances.com](http://www.discountadvances.com), visited 8/30/11

<sup>39</sup> [www.paydaymax.com/](http://www.paydaymax.com/), visited 8/30/11

<sup>40</sup> [www.mycashnow.com](http://www.mycashnow.com), visited 8/30/11

<sup>41</sup> [www.paydayone.com/refer-a-friend.aspx](http://www.paydayone.com/refer-a-friend.aspx), visited 8/30/11

<sup>42</sup> [www.paychecktoday.com/affiliates.asp](http://www.paychecktoday.com/affiliates.asp), visited 8/30/11

<sup>43</sup> [www.nationalpayday.com/aff.htm](http://www.nationalpayday.com/aff.htm), visited 8/30/11

<sup>44</sup> [www.mycashnow.com](http://www.mycashnow.com), [www.discountadvances.com](http://www.discountadvances.com), visited 8/29/11.

<sup>45</sup> [www.checkngo.com](http://www.checkngo.com), [www.americashadvance.com/cashcard.asp](http://www.americashadvance.com/cashcard.asp) Also, PaydayOne website discloses in the fine print a OneNow Visa Prepaid Card, issued by The Bancorp Bank, but does not promote the card on its website, visited 8/29/11.

payment from any bank account the borrower has, even if it is not the account listed on the loan application or contract. Examples of these disclosures:

*You authorize mycashnow.com to initiate debits to any bank accounts in your name in amounts up to and less than the amount owed until the amount owed is paid in full.*<sup>46</sup>

*Further, by submitting the application form, the customer authorizes AAA Payday Advance, L.L.C. and AAA Payday Advance UT, L.L.C. and the customer's current verified financial institution (even if the financial institution and/or account numbers are different than those on the original application) to initiate debit (ACH or Bank Draft) and credit entries as necessary when an original ACH/EFT transaction is returned unpaid or unable to complete.*<sup>47</sup>

*(3) You authorize DiscountAdvances.com S.A. to initiate debits to any bank accounts in your name in amounts up to and less than the amount owed until the amount owed is paid in full.*<sup>48</sup>

CashDirectExpress's privacy policy says they consider bank account information provided by the applicant as well as bank accounts detected in the information collection process in processing and servicing the loan. It is not clear that this lender takes payment from a bank account other than the one listed on the application.<sup>49</sup>

Some surveyed lenders use demand drafts (remotely created checks) to collect payment from borrowers' accounts even if the borrower revokes authorization for electronic payments. These lenders include National Payday<sup>50</sup> and Tremont Financial.<sup>51</sup>

## **Payment Terms Encourage Loan Flipping**

### **Payday Loans are a Debt Trap**

A key criticism of payday lending is the debt trap result of loans that are very expensive, have short repayment periods, and are secured by lender access to bank accounts. While payday loans are marketed as short-term credit, many borrowers become indebted over long periods of time, taking out one loan after the other. A recent study found that the average active payday loan recipient is indebted 212 days during the first year of using payday loans. Consumers using payday loans over a two-year period averaged 9-12 loans per year. Over 75

<sup>46</sup> [www.mycashnow.com/Cash-Today-disclosure.php](http://www.mycashnow.com/Cash-Today-disclosure.php), visited 8/29/11.

<sup>47</sup> AAAPaydayCash Automated Clearing House (ACH)/Electronic Funds Transfer (EFT) Agreement and Disclosure, <https://www.aaapaydaycash.com/acrobat/ach.pdf>, visited 8/29/11.

<sup>48</sup> [www.DiscountAdvances.com/personal-loan-disclosure.php](http://www.DiscountAdvances.com/personal-loan-disclosure.php), visited 8/29/11.

<sup>49</sup> [www.cashdirectexpress.com/Privacy.aspx](http://www.cashdirectexpress.com/Privacy.aspx), visited 8/29/11.

<sup>50</sup> Change of Bank Account for Nationalpayday.com Account Pre-Authorization to Electronic Fund Transfer form, printed from link at [www.nationalpayday.com/faq.htm](http://www.nationalpayday.com/faq.htm), states, in part, "I further authorize Nationalpayday.com and/or its agents to....(b) issue a bank draft against the New Account in the amount equal to the payment(s)..." On file with CFA. Visited 8/29/11.

<sup>51</sup> <https://www.eloanserver.com/tremontfinancial/terms.asp?intlenderid=9996>, visited 8/29/11.



percent of all loans are not taken to deal with an emergency need but are instead the result of “churning,” where trapped borrowers take out new loans because they cannot afford to repay the original loan.<sup>52</sup>

Several features make Internet payday loans a debt trap. First, the price structure for marketing payday loans online makes loan flipping economically essential for lenders to make a profit. Payday lenders pay up to \$125 per qualified lead,<sup>53</sup> which requires several loan renewals to recoup just the cost of acquiring the borrower.

Second, payday loans based on electronic access to borrowers’ bank accounts are easier to renew or “flip” than loans based on paper checks held for future deposit. While storefront payday lenders must persuade borrowers to come in on payday to “buy back” the check for cash and take out a new loan, online loans are often structured to automatically withdraw only the finance charge and continue the loan for another pay cycle.

Third, some lenders permit interest only payments without reducing the loan principle payday after payday. Many sites collect interest only payments for three or four paydays before requiring borrowers to pay down any of the amount borrowed. Borrowers are automatically set up to pay only the finance charge for four paydays by Paychecktoday.com.<sup>54</sup> MyPaydayLoan.com permits borrowers to extend loans with no limit as long as the finance charge is paid every due date.<sup>55</sup> Nationwide Cash automatically rolls over the debt four times, withdrawing the finance charge each time without reducing principal. On the fifth and subsequent paydays, Nationwide Cash withdraws \$50 of principal plus the finance charge.<sup>56</sup> Using this payment method, the online lender collects \$750 in finance charges (\$150 over five paydays) on a \$500 loan before the debt is reduced to \$450.

Fourth, online lenders make it difficult for borrowers to repay the loan. For a borrower to pay off the loan in full, many websites require a three-day notice before the payment is due to make changes to the default ACH payment. Other sites permit the borrower to select the payment option, typically listing three choices: finance-charge only, partial payment or payment in full. Payment options may vary depending on the borrower’s state of residence for companies that are licensed at the state level. For example, CashNetUSA and Advance America permit finance charge-only payments four times in Utah but require payment in full on the first payday in Illinois. Often the repayment terms are hard to find on the website, buried deep in the FAQ part of the website so that borrowers will unwittingly pay only the finance charge or will be unable to figure out the correct way to repay the loan in full.

Fifth, some lenders encourage borrowers to renew a loan rather than pay it off and borrow again in the near future. One surveyed site advises borrowers expecting to immediately take out a new loan to instead just pay the finance charge to renew the current loan. Some sites note that borrowers will have to wait several days after paying off a loan before being able to get a new loan to allow time for the ACH payment to be processed. To avoid this break between loans, borrowers are encouraged not to pay off the loan but to pay the finance charge

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<sup>52</sup> Uriah King & Leslie Parrish, “Payday Loans, Inc.: Short on Credit, Long on Debt,” Center for Responsible Lending, March 31, 2011. See also, Leslie Parrish and Uriah King, “Phantom Demand: Short-term due date generates need for repeat payday loans, accounting for 76 percent of total volume,” Center for Responsible Lending, July 9, 2009.

<sup>53</sup> David Burtzlaff, “Industry Report Payday Loan Industry,” Stephens Inc., June 6, 2011, p. 15.

<sup>54</sup> [www.paychecktoday.com/faqs.asp](http://www.paychecktoday.com/faqs.asp), visited 8/29/11.

<sup>55</sup> [www.mypaydayloan.com/faq.htm](http://www.mypaydayloan.com/faq.htm), visited 8/29/11. “You are allowed to extend your payday loan as many times as necessary...”

<sup>56</sup> [www.nationwidecash.com/Faqs.aspx](http://www.nationwidecash.com/Faqs.aspx), visited 8/29/11.

to renew the existing loan.<sup>57</sup> This tactic also insures that borrowers don't shop around for the best terms on a new loan, but remain locked into the original loan.

Sixth, some online lenders will grant loans to borrowers even if they have other payday loans outstanding. Check into Cash, which offers online loans through its Loanbyphone.com website, permits borrowers to get a loan despite already having one with another company.<sup>58</sup> Securing multiple loans with one paycheck makes it even less likely that consumers can successfully repay all loans in full on the next payday.

### **Consumers' Right to Revoke Electronic Payment Arrangements**

Federal law prohibits lenders from conditioning the extension of credit on a requirement that periodic payment loans be repaid electronically.<sup>59</sup> Consumers also have the right under the federal Electronic Fund Transfer Act (EFTA) to revoke authorization for electronic payment of loans.<sup>60</sup> As a result, websites that permit borrowers to repay loans on more than one payday typically include information on how to revoke electronic payments.

Loans that are due in full in one payment take advantage of the EFTA single payment loophole. For single payment loans, some websites state that consumers do not have a right to stop payment electronically. For example, Advance America, which markets CashNetUSA loans on its website, includes the following statement on FAQ pages for some states:

*“Can I revoke my ACH payment?”*

*No. The ACH authorization can only be revoked AFTER we receive payment in full of the amount owed. Because our advances are single payment advances, we are permitted to require ACH repayment in accordance with the Federal Electronic Funds Transfer Act (EFTA). As a one-time payment, the repayment of a payday advance through ApplyAdvanceAmerica.com is not encompassed by the EFTA's definition of “preauthorized electronic funds transfer,” and is therefore permitted under the EFTA.”<sup>61</sup>*

Similarly, Americashadvance tells Utah borrowers that they have no right to stop payment on a payday loan. The FAQ answer to “Can I revoke my ACH payment?” includes reference to the Federal Reserve Staff official commentary on EFTA at 12 C.F.R. 205 and notes that “repayment of an AmeriCash Advance loan is not encompassed by the EFTA's definition of “preauthorized electronic funds transfer,” and is therefore permitted under the EFTA.”<sup>62</sup>

Lakota Cash's contract provides that if borrowers withdraw consent to electronic communications, the loan is payable on demand; that borrowers can only revoke ACH authorization after the loan is repaid; if the borrower terminates ACH authorization then the loan is due immediately; and loan applicants preauthorize garnishment of wages unless they opt out in ten days.<sup>63</sup>

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<sup>57</sup> For example, [www.mypaydayloan.com](http://www.mypaydayloan.com), advises a four to five-day wait to apply for a new loan if the prior loan is repaid rather than renewed.

<sup>58</sup> [www.checkintocash.com/how-it-works.htm](http://www.checkintocash.com/how-it-works.htm), visited 8/29/11.

<sup>59</sup> Electronic Fund Transfer Act, 15 U.S.C. § 1693k.

<sup>60</sup> Electronic Fund Transfer Act, 15 U.S.C. § 1693e

<sup>61</sup> [www.advanceamerica.net](http://www.advanceamerica.net), FAQs on Online loans, visited 8/29/11. See [www.advanceamerica.net/apply-for-a-loan/faqs](http://www.advanceamerica.net/apply-for-a-loan/faqs) under Payment Information.

<sup>62</sup> [www.americashadvance.com/utah/howitworka.asp](http://www.americashadvance.com/utah/howitworka.asp), visited 8/29/11

<sup>63</sup> LakotaCash.com contract on file with CFA.

## **Demand Drafts (Remotely Created Checks) Deny Borrowers EFTA Protection**

Some lenders disclose that borrowers who revoke authorization for electronic payment of loans still can't stop lenders from unilaterally withdrawing payment from the borrower's bank account. Loan companies use the bank account routing and account numbers provided on the loan application to create a paper check that is not signed by the borrower. This instrument is called a demand draft or a remotely created check. It is presented to the bank for payment, even after the borrower exercised the EFTA right to revoke authorization for electronic payments.

This disclosure is made on the Tremont-Financial website:

*You may revoke this authorization to effect an ACH debit entry to your Account(s) by giving written notice of revocation to us, which must be received no later than 3 business days prior to the due date of your loan. **However, if you timely revoke this authorization to effect ACH debit entries before the loan(s) is paid in full, you authorize us to prepare and submit one or more checks drawn on your Account(s) on or after the due date of your loan. This authorization to prepare and submit a check on your behalf may not be revoked by you until such time as the loan(s) is paid in full.***<sup>64</sup> (Emphasis added)

## **Online Lenders' One-Sided Justice**

Contract terms for Internet payday lenders typically include mandatory arbitration clauses and require borrowers to agree not to file or participate in class action lawsuits. For example, AAAPaydayCash.com has a mandatory arbitration clause in a jurisdiction selected by the lender but retains the right to take borrowers to court while prohibiting the payday lender from being sued in any court.<sup>65</sup>

Borrowers can be considered to have defaulted, even if their loans were paid in full, by failing to make a payment request prior to the due date. Mypaydayloan states "If you do not make a payment request within 2 days of your due date, the entire balance owed on your online cash advance will be deducted from your account; further, your loan will be considered defaulted."<sup>66</sup>

If a borrower's payment to Mypaydayloan is returned due to insufficient funds, or if the account is frozen or closed, the collections department will contact the borrower to arrange a second attempt to debit the account and will charge a return item fee of \$100 and a late fee of \$50 to be collected from the next debit.<sup>67</sup>

## **Internet Payday Loan Website Privacy Policies**

CFA surveyed the privacy policies posted by these companies. Except for one site, all of the lenders included a privacy policy that was readily accessible on their website. While the content of the policies ranged from vague to explicitly thorough, all of the policies included some delineation of what information would be collected and how that information would be shared. In addition to collecting all of the information included in the loan application, such as the Social Security number, date of birth, and employment information, all of the lenders

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<sup>64</sup> Tremont-Financial Terms page, available at <https://www.eloanserver.com/tremontfinancial/terms.asp?intlenderid=9996>, visited 8/29/11.

<sup>65</sup> [www.aaapaydaycash.com/disclosure.asp](http://www.aaapaydaycash.com/disclosure.asp), visited 8/29/11.

<sup>66</sup> [www.mypaydayloan.com/nat/payments/login.aspx](http://www.mypaydayloan.com/nat/payments/login.aspx), visited 8/29/11.

<sup>67</sup> [www.mypaydayloan.com/faq.htm](http://www.mypaydayloan.com/faq.htm), visited 8/29/11.

used third party consumer reporting agencies to collect banking transaction history, such as numerous bank accounts and overdraft history.

The websites either stated outright or did not specify whether the IP address was recorded or if a cookie or web beacon was placed onto the consumer's computer to track the website visitor. Almost half of surveyed lenders directly stated that the IP address was recorded and ten of the 20 lenders stated that either a cookie, a web beacon, or both was being used to track the visitor. Of the lenders with privacy policies, all but one shared information with third parties. Of the lenders that shared information with third parties, thirteen of them included some sort of opt-out mechanism (65%). This means that for seven of the lenders, just by visiting the site, the visitor's private information and contact information could be shared with third parties (and there was no mechanism to opt-out), even if the visitor did not take out a loan or use any of the website's services.

## **Conclusion**

The 2011 CFA survey of a cross-section of Internet payday loan websites demonstrates that very expensive loans based on direct electronic access to borrowers' bank accounts remain extremely expensive and are structured to encourage repeat borrowing. Many surveyed lenders use choice of law contract terms or claim Tribal Sovereign Immunity in an attempt to conduct loan business without complying with borrowers' home-state laws and regulations. Future reports by CFA will explore state jurisdiction and enforcement efforts and will examine the privacy and security issues posed by payday loans marketed, provided, and collected electronically.

## **Appendices**

Chart 1: Online Lenders and Loan Terms

Chart 2: Online Loan Personal and Financial Information

Chart 3: Privacy Policy

## APPENDIX

### CFA Survey of Internet Payday Loan Websites

#### Methodology:

In mid-2010, CFA collected a sample of twenty-five websites that make payday loans. To do so, researchers conducted a Google search, using “payday loan” and “apply.” We also examined paid placement ads on search result pages and culled out sites that appeared to be lenders from marketing sites or lenders serving Canada, the United Kingdom, or other foreign countries. Since the universe of online payday lenders is not known and since the majority of websites are lead generators and marketing sites, the sample of loan providers was supplemented by adding online lenders sued by the West Virginia Attorney General, including one lender that claims tribal sovereign immunity, and lenders identified as members of the Online Lenders Alliance, the trade group for this sector of the industry. Therefore, the sample of online lenders may not be representative of the universe of lenders, but consists of websites that rank high on search engines, that are operated by large storefront lenders, or that have been sued by state regulators. Initial information was updated in May and June, 2011, and the list was shortened to twenty-one sites to eliminate lead generator and duplicate sites. When updating information just prior to releasing the report, CFA found that one of the surveyed lenders was no longer in business, leaving twenty online lenders in the study. Websites change quickly. CFA strives for accuracy but current website terms may be different than the information displayed in the charts below. Please click on the URL of the lender for current information.

CFA reviewed all webpages that were publicly available, filled out online loan applications until required to divulge personal financial information, and recorded loan terms, methods of payment, disclosures, and privacy policies. Three charts are included in this appendix: Online Lenders and Loan Terms; Online Loan Personal and Financial Information; and Online Lender Privacy Policies. Where state-specific information was expected, CFA generally used Utah (no rate cap) and Illinois (cap of 404 percent APR) as examples, although other state information was used when the lender did not make loans in those two states.

CFA also conducted a WhoIs search on the Network Solutions website and the WhoIs search on the GoDaddy website to determine the registrant location of the website domains for the twenty lenders. Half of the lenders have anonymous registrations, using WhoIs Privacy Protection, Network Solutions Private Registration, Silent Register, or Domains by Proxy. As a result, borrowers are unable to identify the owner of the website to which they gave personal financial information in exchange for loans. Of the remaining websites, two list registrations in Costa Rica ([www.nationalpayday.com](http://www.nationalpayday.com) and [www.mypaydayloan.com](http://www.mypaydayloan.com)) and the rest are registered in the United States in Kansas, Illinois, Ohio, Texas, Delaware, South Dakota, and Tennessee.

**Chart 1: Online Lenders and Loan Terms**

Lender	Website/url	Location of Lender	Licensed <sup>68</sup>	Loan Size <sup>69</sup>	Cost of 14-day \$500 Loan <sup>70</sup>	Loan Delivery <sup>71</sup>	Payment Terms <sup>72</sup>
<b>AAAPayday Cash</b>	<a href="http://www.AAAPaydayCash.com">www.AAAPaydayCash.com</a>	Utah	CL: Utah, registered in UT and MO	\$100 - \$1,000	\$125 FC, 651.78% APR	DD	S, or FC, may extend 4 times. 10-wk limit
<b>American Web Loan</b>	<a href="http://www.americanwebloan.com">http://www.americanwebloan.com</a>	Does not specify	CL: Otoe-Missouria Tribe. Loans in CA, CO, CT, ID, IN, IA, MA, MI, MN, NH, NC, ND, OH, VA. NA: AK, AZ, NV, OR, WA, UT, WY, MT, HI, SD, NE, KS, OK, TX, NM, LA, AR, MO, WI, IL, MS, KY, TN, AL, GA, FL, SC, PA, NY, ME, VT, NJ, DE, DC, RI, MD	\$100- \$800	\$150, FC 780.00% APR	DD	FC, Must contact 3 days prior to due date to pay part or full amount of principal
<b>AmeriCash Advance</b>	<a href="http://www.americashadvance.com">www.americashadvance.com</a>	NA	CL: DE Loans in AK, AL, CA, DC, DE, FL, HI, IA, ID, KY, LA, MI, MO, MS, MT, NE, NV, ND, SC, SD, TN, TX (CSO), UT.	Up to \$1,500	\$125, 651.79% APR in Utah	DD or SVC	S or FC, can choose how to pay it back (default is S)

<sup>68</sup> CL if site claims a choice of law followed by claimed jurisdiction. SL if site claims to be licensed by a state or states, followed by the state/s where lender makes loans. Some lenders only list the states where loans are **not** made, shown as “NA” followed by the states where loans are not available. Some sites require consumers to search for their state to see if loans are made in that state. In those instances, the chart lists the number of states and the states where site claims to be licensed or to make loans. “Loan Match” means lender refers application to another lender or links to other lenders’ websites. “CSO” means lender functions as a credit services organization w/ 3<sup>rd</sup> party lender

<sup>69</sup> Entries show the minimum and maximum dollar amount of loans available. In some cases, lenders offer smaller loans to first time applicants. Where many states were listed, the surveyor used information for Illinois and/or Utah.

<sup>70</sup> APR for \$500 loan due in two-weeks, as disclosed on the website. Finance charge (FC) for \$500 loan in dollars. If no APR disclosure provided, chart shows “APR n/a.”

<sup>71</sup> Indicates methods that lender uses to deliver loan proceeds. “DD” is direct deposit of loan proceeds via electronic fund transfer. “CK” indicates a check will be mailed to the borrower. “W” when funds are wired to the borrower’s account. “SVC” indicates the loan proceeds are loaded to a prepaid debit card held by the borrower.

<sup>72</sup> “S” represents “single payment,” when online lenders require the loan to be repaid in full on the due date. “FC” represents payment arrangements that authorize the lender to withdraw only the finance charge with no reduction of principal when the loan is due and continue the loan with a new finance charge owed at the end of the next pay cycle. When lenders set a limit for the number of loan renewals, the chart lists that number.

Lender	Website/url	Location of Lender	Licensed <sup>68</sup>	Loan Size <sup>69</sup>	Cost of 14-day \$500 Loan <sup>70</sup>	Loan Delivery <sup>71</sup>	Payment Terms <sup>72</sup>
<b>Ca\$hNetUSA (Advance America)</b>	<a href="http://www.cashnetusa.com">www.cashnetusa.com</a> <a href="http://www.advanceamerica.net">www.advanceamerica.net</a>	Chicago, Illinois	SL in 29 states, WA, OR, CA, ID, NV, WY, UT, ND, SD, KS, OK, MN, WI, MI, IL, MO, LA, RI, DE, LA, MS, AL, FL, NM, ME NA/Loan Match: AR, CT, DC, GA, IN, IA, KY, MA, NE, NH, NJ, NY, NC, TN, VT, VA, WV, CO. NA/No Match: AZ, PA, MD, MT, SC CSO loans in TX and OH	In UT: \$100-1500; In IL: \$100 to 25% of income or \$1000 max	Utah: 651.79%, \$125 FC Illinois: 404.11%, \$77.50 FC	DD	Utah: FC Only, may extend loans 4 times (2 if paid monthly) Illinois: S
<b>Cash Direct Express (GECC)</b>	<a href="http://www.cashdirectexpress.com/">www.cashdirectexpress.com/</a>	No location on website, but listed on Delaware licensee list	SL in Delaware, NA: AZ, AR, CA, CO, GA, ME, MD, MS, NC, ND, NH, PA, WA or WV	Up to \$700	APR n/a	DD	S, can rollover 4 times, FC only
<b>Check into Cash</b>	<a href="https://www.checkintocash.com">https://www.checkintocash.com</a> <a href="http://www.loanbyphone.com">www.loanbyphone.com</a>	Cleveland, TN	SL: AL, CA, CO, DE, ID, IN, KS, MI, MO, MS, MT, NV, OH, OK, OR, SD, TX, UT, WA, WI, WY. CSO in TX Loan Match in other states	\$100 - \$800	\$125 FC, 651.78% APR in Utah and MO. Vary by state law.	DD	4 renewal limit or state law limits on renewals
<b>Check 'n Go</b>	<a href="http://www.checkngo.com">www.checkngo.com</a>	Ohio	SL 15 states, plus CSO loans in OH and TX. Installment loans in WI. NA: WA, OR, AK, AZ, CO, MN, AR, LA, GA, VA, NC, WV, PA, MA, DC, NJ, CT, NH, NY, ME, VT, WY, MT, MD In-store Only: RI, NM, IA, KY, TN, MS, SC, NE Loan Match	IL and Utah: Max is \$1500	Utah: \$125 FC, 651.79% APR, IL: \$77.50 FC, 404.11% APR	DD, SVC	S or FC, can choose how to pay it back

Lender	Website/url	Location of Lender	Licensed <sup>68</sup>	Loan Size <sup>69</sup>	Cost of 14-day \$500 Loan <sup>70</sup>	Loan Delivery <sup>71</sup>	Payment Terms <sup>72</sup>
<b>DiscountAdvances</b>	<a href="http://www.discountadvances.com">www.discountadvances.com</a>	Castries, St. Lucia	CL: St. Lucia NA: CO, GA, MT, NV, NH, OH, OR, VA, WV, and Sacramento, CA	\$100 - \$1,500	\$87.50 FC, 456.25% APR	DD, Moneygram	S, FC #3 times per request, then pay down \$50 of principal per renewal
<b>EZPayDayCash</b>	<a href="http://www.ezpaydaycash.com">www.ezpaydaycash.com</a>	UT	SL Utah, NA: AZ, MA, MD, WI, GA, CO, KS, PA, WV, WA, WY	Up to \$1,000	\$150 FC, 782.14% APR	DD	S or FC #4 per request
<b>Lakota Cash</b>	<a href="http://www.lakotacash.com/">http://www.lakotacash.com/</a>	Timberlake, SD	CL: Cheyenne River Sioux Tribe, NA: WV, SD	\$200-\$500 for first time borrowers	APR n/a	DD	S or FC, can choose how to pay it back, 4 renewal limit
<b>Loan Point USA</b>	<a href="http://www.loanpointusa.com/">www.loanpointusa.com/</a>	Kansas	“Applicable Laws.” Loans in 27 states + DC: AL, AK, CT, FL, HI, IN, IA, KY, LA, MI, MA, MT, NE, NV, NJ, NM, NY, OK, RI, SC, SD, TN, TX, UT, VT, WI, WY NA/Loan Match: WA, OR, CA, AZ, CO, KS, MO, AR, IL, MN, ND, GA, NC, VA, OH, PA, WV, DE, NH, ME, ID, MD, MA	max in Utah is \$600 \$800 max	Utah: \$150 FC, 782.14% APR	DD	S, may extend 4 times, with added finance charge for a total of 10 weeks- Utah
<b>MyCashNow</b>	<a href="http://www.mycashnow.com">www.mycashnow.com</a>	Anguilla, BWI	CL: Anguilla, BWI NA: CA, NV, CO, OR, GA, KS, MT, OH, TN, AR, VA, NH, and WV	\$100-\$1500	485.45% \$93.10 FC \$25 NSF fee	DD, Moneygram	S or FC at borrower option. Renew 3 x, then reduce principal by \$50 each



Lender	Website/url	Location of Lender	Licensed <sup>68</sup>	Loan Size <sup>69</sup>	Cost of 14-day \$500 Loan <sup>70</sup>	Loan Delivery <sup>71</sup>	Payment Terms <sup>72</sup>
<b>MyPayDayLoan</b>	<a href="http://www.mypaydayloan.com">www.mypaydayloan.com</a>	Costa Rica	CL: Costa Rica Loans not available in all states, not specified	\$100-\$1000	\$125 FC, 651.78% APR	DD	S, borrower goes online to arrange payment, can be FC Only. No limit on renewals
<b>National Payday</b>	<a href="http://www.nationalpayday.com">www.nationalpayday.com</a>	Costa Rica	CL: Costa Rica	\$100-\$400 for 1st time, more after that	651.79%, \$125 FC on \$500 loan	DD, can also get funds wired, extra charges	S or FC, can choose how to pay it back
<b>Nationwide Cash</b>	<a href="http://www.nationwidecash.com">www.nationwidecash.com</a>	Kingstown St. Vincent & The Grenadines	CL, jurisdiction not specified; NA: AR, AZ, IL, IN, MN, IA, NY, MD, DE, OH, VA, SC, ID, NE, PA, MA, NM, DC, KS, GA, WA, WV, VA, CA, NH and CO	\$100-\$1000	\$150 FC, 782.14% APR  Rewards for repeat borrowers	DD	FC Only, automatic rollover 4 times. On 5 <sup>th</sup> payment, collect \$50 plus FC. Call to pay off.
<b>PayCheckToday</b>	<a href="http://www.paychecktoday.com">www.paychecktoday.com</a>	Does not specify	No Information	Up to \$1000	\$150, FC 782.14% APR	DD	FC Only 4 times, must request 3 business days prior to due date to pay in full or partial

Lender	Website/url	Location of Lender	Licensed <sup>68</sup>	Loan Size <sup>69</sup>	Cost of 14-day \$500 Loan <sup>70</sup>	Loan Delivery <sup>71</sup>	Payment Terms <sup>72</sup>
<b>PayDay One</b>	<a href="http://www.paydayone.com">www.paydayone.com</a>	Think Cash in Ft. Worth, Texas	CL: DE. SL in 18 states. CSO loans in OH, TX NA: AL, AK, AZ, AR, CO, CT, FL, GA, IN, IA, KY, MD, MA, MI, MN, MT, NE, NH, NJ, NM, NY, NC, ND, OK, OR, PA, UT, VT, VA, WA, WV, and WI	\$100-\$1000	\$72.50 FC; 378.04% APR in Kansas  \$112.50; 586.61% APR in Delaware	DD, SVC	S
<b>PayDayMax.com</b>	<a href="http://www.paydaymax.com">www.paydaymax.com</a>	Anguilla, B.W.I	CL: Anguilla, B.W.I NA: GA, MT, NH, WV, OH, VA, NJ, OR, CO, NV and Sacramento, CA Loan Match	\$100-\$1500	\$93.10 FC 485.45% APR	DD	FC ONLY, 3 rollovers permitted
<b>SpeedyCash</b>	<a href="http://www.speedycash.com">www.speedycash.com</a>	Wichita, KS	SL in 25 states AL, AK, AZ, CA, HI, ID, IL, KS, LA, MS, MO, NV, ND, OK, RI, SD, TX, UT, WA, WI, WY In AZ, licensed as a sales finance co. Loan Match	Up to \$1,000, max in IL and UT \$500	Utah: 651.79%, FC \$125	DD	S or FC, may extend.
<b>Tremont Financial</b>	<a href="http://www.tremont-financial.com">www.tremont-financial.com</a>	South Dakota	CL: SD	\$250-\$500	\$150, (782% APR not disclosed, on Note) \$30 NSF	DD	S, but can request deferral and pay FC and 20% of loan, 4 deferrals max

**Chart 2: Online Loan Personal and Financial Information**

Lender	URLS	Privacy Policy	Secure Application <sup>73</sup>	Personal Information collected <sup>74</sup>	Bank Account Information Collected <sup>75</sup>	EFTA Notice <sup>76</sup>	Payment Method <sup>77</sup>
AAAPayday Cash	<a href="http://www.AAAPaydayCash.com">www.AAAPaydayCash.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number, 3 references	BAN	Y	ACH
American Web Loan	<a href="http://americanwebloan.com">http://americanwebloan.com</a>	Y	SA	N/A/P, DOB	BAN	N	ACH
AmeriCash Advance	<a href="http://www.americashadvance.com">www.americashadvance.com</a>	Y	SA	SSN, N/A/P, DOB, active military	BAN	Y, cannot revoke ACH	ACH
Ca\$hNetUSA (Advance America)	<a href="http://www.cashnetusa.com">www.cashnetusa.com</a> <a href="http://www.advanceamerica.net">www.advanceamerica.net</a>	Y	SA	SSN, N/A/P, DOB	BAN	Y, for states with single payment no right to revoke ACH	ACH
Cash Direct Express	<a href="http://www.cashdirectexpress.com/">www.cashdirectexpress.com/</a>	Y	N	SSN, N/A/P, DOB, Driver's License Number	BAN	N	No info

<sup>73</sup> "Y" if page that collects personal information has a URL as "https"

<sup>74</sup> The column lists the personal financial information that must be entered into the lender's online application form. "SSN" is a Social Security number. "CC" is the borrower's credit card number. "DL" is driver's license number. "N/A/P" is name, address, phone and other contact information. "MS" is military status of borrower.

<sup>75</sup> "BAN" means borrower must provide the bank account and routing number for her checking account. "FAX" means borrower must fax documents to the lender, such as bank statements.

<sup>76</sup> "Yes" if the website or loan documents provide the required disclosures telling consumers how to revoke authorization for electronic funds transfer for periodic payment loans. "No" indicates that this right-to-revoke notice is not given or available to surveyor prior to applying for a loan. EFTA notice may be in loan contract provided borrower.

<sup>77</sup> "ACH" is automated clearinghouse or electronic fund transfer, "RCC" or "remotely created check" indicates the lender claims the right to create an unsigned paper check to withdraw funds from the borrower's account. "CK" if borrower can repay loan with a personal check. Some agreements claim the right to withdraw payment from any bank account the borrower has, even if not listed on the loan application.

Lender	URLS	Privacy Policy	Secure Application <sup>73</sup>	Personal Information collected <sup>74</sup>	Bank Account Information Collected <sup>75</sup>	EFTA Notice <sup>76</sup>	Payment Method <sup>77</sup>
Check into Cash	<a href="https://www.checkintocash.com">https://www.checkintocash.com</a> , <a href="http://www.loanbyphone.com">www.loanbyphone.com</a>	Y	SA	N/A/P, SSN, Driver's License Number	BAN	N	ACH
Check 'n Go	<a href="http://www.checkngo.com">www.checkngo.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number, active military	BAN	N	ACH
DiscountAdvances	<a href="http://www.discountadvances.com">www.discountadvances.com</a>	Y	SA	N/A/P, DOB, Driver's License Number	BAN	N	ACH Payment from any bank account
EZPayDayCash	<a href="http://www.ezpaydaycash.com">www.ezpaydaycash.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number, active military	BAN	Y	ACH
Lakota Cash	<a href="http://www.lakotacash.com/">http://www.lakotacash.com/</a>	Y	SA	N/A/P, DOB, SSN, ID	BAN	N	ACH
Loan Point USA	<a href="http://www.loanpointusa.com/">www.loanpointusa.com/</a>	Y	SA	N/A/P, DOB	BAN	Not disclosed	ACH, pay by CK with permission
MyCashNow	<a href="http://www.mycashnow.com">www.mycashnow.com</a>	Y	SA	N/A/P, DOB, Driver's License Number	BAN	Not disclosed	ACH Payment from any bank account
MyPayDayLoan	<a href="http://www.mypaydayloan.com">www.mypaydayloan.com</a>	Y	SA	SSN, N/A/	BAN	N	ACH
National Payday	<a href="http://www.nationalpayday.com">www.nationalpayday.com</a>	Y	SA	N AND DOB on page 1 of 5	BAN	Y on bank account change form	ACH, RCC
Nationwide Cash	<a href="http://www.nationwidecash.com">www.nationwidecash.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number		N	ACH
PayCheckToday	<a href="http://www.paychecktoday.com">www.paychecktoday.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number	BAN	N	ACH

Lender	URLS	Privacy Policy	Secure Application <sup>73</sup>	Personal Information collected <sup>74</sup>	Bank Account Information Collected <sup>75</sup>	EFTA Notice <sup>76</sup>	Payment Method <sup>77</sup>
PayDay One	<a href="http://www.paydayone.com">www.paydayone.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number, active military	BAN	Y	ACH
PayDayMax.com	<a href="http://www.paydaymax.com">www.paydaymax.com</a>	Y	SA	N/A/P, DOB, Driver's License Number	BAN	N	ACH
SpeedyCash	<a href="http://www.speedycash.com">www.speedycash.com</a>	Y	SA	SSN, N/A/P, DOB, Driver's License Number, CC (not required), active military	BAN	N	ACH, credit or debit card
Tremont Financial	<a href="http://www.tremont-financial.com">www.tremont-financial.com</a>	Y, in Terms and Conditions	SA	SSN, N/A/P, DOB, Driver's License Number	BAN	Y	ACH, RCC

**Chart 3: Privacy Policy Chart<sup>78</sup>**

Lender	Website	Collect ed Info: Income and Employment	Collected Info: Banking Transaction History <sup>79</sup>	Collected Info: URL and TCP/IP Address	Collected Info: Cookies and Web Beacons (C or WB or both)	Shared Info: Third Parties <sup>80</sup> (Y/N)	Shared Info: Opt-Out <sup>81</sup>
AAAPaydayCash	<a href="http://www.AAAPaydayCash.com">www.AAAPaydayCash.com</a>	Yes	Yes	Does not specify	Does not specify	Yes	Yes
American Web Loan	<a href="http://americanwebloan.com">http://americanwebloan.com</a>	Yes	Yes	Does not specify	Does not specify	Yes	Yes

<sup>78</sup> Information from privacy policy posted on lender website.

<sup>79</sup> Normally collected by third party consumer reporting agencies, this information includes overdrafts.

<sup>80</sup> This includes sharing of information for marketing purposes including sharing of information with affiliated and non-affiliated third parties.

<sup>81</sup> This column specifies whether or not there is a mechanism for opting-out of sharing information with non-affiliated third parties for marketing purposes.

Lender	Website	Collect ed Info: Income and Employment	Collected Info: Banking Transaction History <sup>79</sup>	Collected Info: URL and TCP/IP Address	Collected Info: Cookies and Web Beacons (C or WB or both)	Shared Info: Third Parties <sup>80</sup> (Y/N)	Shared Info: Opt-Out <sup>81</sup>
<b>AmeriCash Advance</b>	<a href="http://www.americashadvance.com">www.americashadvance.com</a>	Yes	Yes	Does not specify	Does not specify	No	N/A
<b>Ca\$hNetUSA (Advance America)</b>	<a href="http://www.cashnetusa.com">www.cashnetusa.com</a> <a href="http://www.advanceamerica.net">www.advanceamerica.net</a>	Yes	Yes	Yes	Both	Yes	Yes
<b>Cash Direct Express</b>	<a href="http://www.cashdirectexpress.com/">www.cashdirectexpress.com/</a>	Yes	Yes	Yes	Both	Yes	Yes
<b>Check into Cash</b>	<a href="https://www.checkintocashonline.com">https://www.checkintocashonline.com</a>	Yes	Yes	Does not specify	Does not specify	Yes	Yes
<b>Check 'n Go</b>	<a href="http://www.checkngo.com">www.checkngo.com</a>	Yes	Yes	Yes	Does not specify	Yes	Yes
<b>DiscountAdvances</b>	<a href="http://www.discountadvances.com">www.discountadvances.com</a>	Yes	Yes	Does not specify	C	Yes	Yes
<b>EZPayDayCash</b>	<a href="http://www.ezpaydaycash.com">www.ezpaydaycash.com</a>	Yes	Yes	Yes	Both	Yes	Yes
<b>Lakota Cash</b>	<a href="http://www.lakotacash.com/">http://www.lakotacash.com/</a>	Yes	Yes	Does not specify	Does not specify	Yes	No
<b>Loan Point USA</b>	<a href="http://www.loanpointusa.com/">www.loanpointusa.com/</a>	Yes	Yes	Does not specify	Does not specify	Yes	No
<b>MyCashNow</b>	<a href="http://www.mycashnow.com">www.mycashnow.com</a>	Yes	Yes	Yes	C	Yes	Yes
<b>MyPayDayLoan</b>	<a href="http://www.mypaydayloan.com">www.mypaydayloan.com</a>	Yes	Yes	Does not specify	Does not specify	Yes	Yes
<b>National Payday</b>	<a href="http://www.nationalpayday.com">www.nationalpayday.com</a>	Yes	Yes	Does not specify	Both	Yes	Yes
<b>Nationwide Cash</b>	<a href="http://www.nationwidecash.com">www.nationwidecash.com</a>	Yes	Yes	Does not specify	Does not specify	Yes	No
<b>PayCheckToday</b>	<a href="http://www.paychecktoday.com">www.paychecktoday.com</a>	Yes	Yes	Yes	Both	Yes	No

Lender	Website	Collect ed Info: Income and Employment	Collected Info: Banking Transaction History <sup>79</sup>	Collected Info: URL and TCP/IP Address	Collected Info: Cookies and Web Beacons (C or WB or both)	Shared Info: Third Parties <sup>80</sup> (Y/N)	Shared Info: Opt-Out <sup>81</sup>
<b>PayDay One</b>	<a href="http://www.paydayone.com">www.paydayone.com</a>	Yes	Yes	Does not specify	Does not specify	Yes	Yes
<b>PayDayMax.com</b>	<a href="http://www.paydaymax.com">www.paydaymax.com</a>	Yes	Yes	Yes	C	Yes	No
<b>SpeedyCash</b>	<a href="http://www.speedycash.com">www.speedycash.com</a>	Yes	Yes	Yes	Both	Yes	No
<b>Tremont Financial</b>	<a href="http://www.tremont-financial.com">www.tremont-financial.com</a>	Yes	Yes	Yes	Both	Yes	Yes