PREDATORY LENDING IN LANE COUNTY

A Survey of Payday Lending in Eugene and Springfield

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OSPIRG
Oregon Student Public Interest Research Group

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The author alone bears responsibility for any factual errors.

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Executive Summary

Payday loans are short term, high interest rate loans marketed to cash-strapped consumers. Consumers of such loans borrow against their next paycheck, typically for a term of 14 days, at a set fee. If the consumer is unable to repay the entire loan on the due date, the payday lender encourages the consumer to pay more fees to "rollover" the loan to extend it for another short term, leading many consumers into a cycle of debt.

Over the past decade, payday lending has grown from almost nothing to over 25,000 storefronts in most states across the country, including Oregon. This has happened at a time when the majority of mainstream lenders have left the traditional small loan market, and as many consumers have exhausted their credit cards or other types of credit. The growth of the payday lending industry is partly explained by the appeal of quick access to cash with few questions asked.

As of December 31, 2005 there were 359 storefronts licensed to sell payday loans in Oregon, with Lane County home to 31 of those storefronts.[1] While many payday storefronts are only in that business, our survey found that rent-to-own stores and auto title loan outfits are diversifying into payday loans as well.

At the same time, Oregon has enacted only minimal consumer protections regarding payday loans. Currently, for example, there is no cap on the interest a lender may charge, or the amount of such loans.

This is a report of the findings of OSPIRG's study of payday lending in Lane County, in which staff and volunteers conducted in-person surveys of licensed payday lending storefronts, a review of actual borrowers' loan contracts and promissory notes in Oregon, as well as additional background research that included an examination of the industry's national and local presence, growth, and regulation.

Key findings include:

High-Cost Loans Rip Off Cash-Strapped Borrowers

521 % Annual Interest Rates

In Springfield, Eugene and Lane County as a whole, the most common annual percentage rate (APR) charged by surveyed payday lenders for a $300 loan for a 14-day term is 521%. Further, the APR is not always posted clearly. In Lane County, surveyors could not locate the required posting of the annual interest rate in 21% of payday loan storefronts.

Obstacles Make Payday Loans Difficult to Repay

Our survey indicates that borrowers are typically required to pay back the loan in a single payment, not installments, and to do so after an extremely short loan term of days or weeks in order to prevent the check used to secure the loan from bouncing. According to a 2004 study by the Oregon Department of Consumer and Business Services, 74% of borrowers report being unable to repay their payday loan when due and must either default or "roll over" the loan.

Despite this loan structure's challenges to cash-strapped borrowers, our survey indicates lenders do not generally conduct the rigorous test of a borrower's ability to repay the loan with a credit check.

Loans Quickly Drive Borrowers into a Debt Trap

High Cost Rollovers

To rollover the loan, payday lenders generally charge a fee equal to the amount of the fee the consumer paid to take out the loan in the first place. These high fees quickly mount over the course of each short term, and do not pay down the principle. For example, if a consumer takes out a typical $300 loan with a $60 fee and rolls it over three times, he or she will owe a total of $240 in fees plus the $300 principal.

Additional Fees

If a consumer cannot repay the loan when due, and the lender cashes the borrower's check, the borrower is likely to incur non-sufficient fund (NSF) fees, among other penalties. To make matters worse, payday lenders may insert clauses in loan contracts that further trap borrowers in debt. An acceleration clause uncovered in our research, for example, allows the lender to declare the entire unpaid balance to be due immediately, and present a borrower's check at his bank for payment in advance of the due date, triggering the NSF fees.

Debt Collection

A borrower who defaults on a payday loan is also likely to find himself driven deeper into debt. Our research reveals that lenders may insert clauses into the loan application or contract that put the borrower at a disadvantage should he or she default on the loan, such as requiring the borrower to pay the lender's costs and expenses of collection, including attorney's fees and court costs. Short-term lenders have sued over 12,000 Oregonians.

To address the payday loan problems outlined in this report, OSPIRG recommends policymakers and regulators take steps to protect consumers. Policy recommendations include capping interest rates and fees, requiring the loans be structured to encourage or require installment payments and to have longer loan terms, limiting the number of rollovers, and prohibiting the use of post-dated checks or electronic access to the borrower's bank account.

How Payday Loans Operate

Payday loans are short term, high interest rate loans marketed to cash-strapped consumers struggling between paychecks. Consumers of such loans borrow against their next paycheck, typically for a very short term of fourteen days or less, at a set fee.

To apply for the loan, borrowers must typically show that they are currently employed or have a source of income such as social security, verify their identity, and show that they have a bank account. A credit check is not typically required.[2]

Typically, a lender requires the borrower to write a post-dated check for the amount of the loan, plus the fee, in order to obtain the loan. Alternately, the lender may require the borrower to provide electronic access to his bank account.

On the due date, usually a week or two later, the consumer either redeems the check by paying the face amount, or lets the check be cashed. If the consumer is unable to repay the entire loan on the due date, the payday lender will often encourage the consumer to pay more fees to "rollover" the loan to extend it for another short term, and another, up to three times. There is nothing to stop borrowers from carrying loans from more than one lender or from starting the debt cycle over after the required one-day break following the renewal.

Growth of the Payday Loan Industry

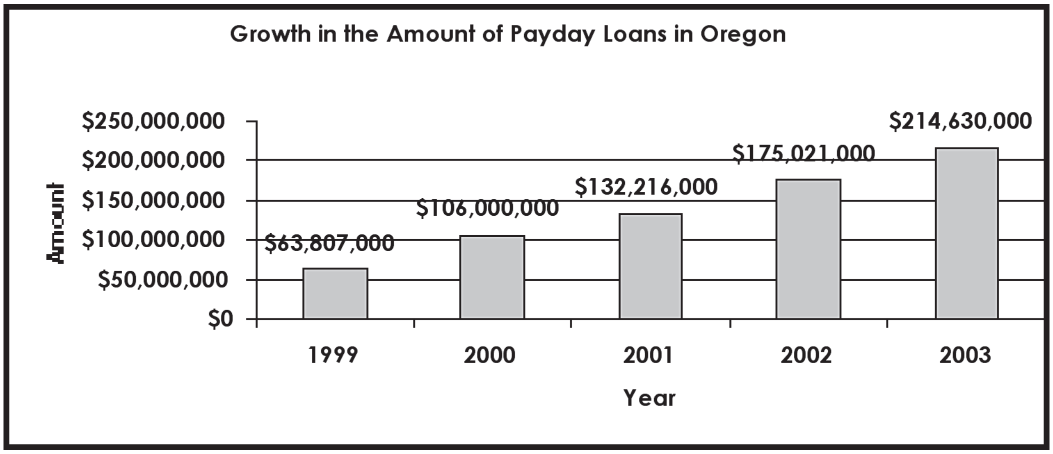
Over the past decade, payday lending has grown from almost nothing to tens of thousands of storefronts in most states across the country, including Oregon. This has happened at a time when the majority of mainstream lenders have left the traditional small loan market, and as many consumers have "maxed out" their credit cards or other types of credit. The growth of the payday lending industry is partly explained by the appeal of quick access to cash with few questions asked.

Nationwide, the payday loan industry has seen sharp growth in a very short period of time. The industry, virtually non-existent in the early 1990's, has expanded into a multi-billion dollar industry.[3] In 1993 there were only 200 payday lenders nationwide, but now there are over 25,000 payday lending outlets operating in the United States.[4]

As of the end of 2005, there were seven publicly traded payday lenders in the nation. These are First Cash Financial Services, EZ Corp, Cash America International, QC Holdings, ACE Cash Express, Dollar Financial, and Advance America.

Oregon is the 14th most saturated state for payday lending, with one outlet for every 4,266 citizens, compared with California with one lender for every 8, 266.[5] In Oregon, there were 359 licensed payday loan storefronts in the state by the end of 2005, owned by 77 payday lending companies.[6]

Oregon experienced a 235% increase in the amount of money loaned through



payday loans in a five-year period.[7] In 2003, the Oregon Department of Business & Consumer Services documented over 677,215 payday loans originating in the state, resulting in nearly $215 million in payday loans.

In Lane County, 31 licensed active payday storefronts were operating by the end of 2005, and these are owned by 14 payday loan companies.[8] Of these 14 payday lenders, 9 have their headquarters located out of state.[9] The storefronts in Lane County are concentrated heavily in Eugene and Springfield, with 90% located there. Two publicly traded entities have a presence in Lane County: ACE Cash Express with two stores, and Advance America with three stores.

While many payday storefronts are only in that business, our survey found that rent-to-own stores and auto title loan outfits are diversifying into payday loans.

Consumer Protections in Oregon Fall Behind Other States

The State of Oregon has enacted only minimal consumer protections regarding payday lending practices. This stands in sharp contrast to many other states, which either require an interest rate cap on payday loans, or significantly regulate loans by limiting the amount of such loans.

The State of Oregon does require that payday lenders receive licenses from the Department of Consumer and Business Services (DCBS), limits the number of permitted rollovers to three,[10] and prohibits lenders from giving a borrower who has reached the limit of three rollovers a new loan on the same day.[11]

In addition, DCBS has by administrative rule regulated some aspects of payday lending. These rules require that the Annual Percentage Rate (APR) of the loans be "posted prominently inside the lender's office where customers can easily see it."[12] However, the lender is required only to disclose the Annual Percentage Rate for a typical loan.[13] The actual Annual Percentage Rate the borrower may be charged can far exceed the posted rate.

Legislation before the Oregon Legislature in 2005, Senate Bill 545A-Engrossed, would have regulated payday lending by capping the maximum allowable interest rates, requiring repayment of a portion of the principal before renewal of the loan, limiting the maximum amount of a loan, giving the borrower a right to rescind the loan, and giving the borrower a right to a payment plan after three successive rollovers. The 2005 Legislature did not enact these, or any payday lending reforms.

In February 2006, the City of Portland enacted a local consumer protection ordinance regarding payday loans. Unable by state law to enact comprehensive protections including a local interest rate cap, the ordinance gives consumers the right to cancel the loan within 24 hours, requires lenders to design the loans to include paying down the principal with each loan renewal, and makes sure consumers are allowed to make installment payments. In March, the City of Gresham and City of Troutdale enacted essentially the same reforms.

As pressure mounts to take action, two interim legislative committees are holding hearings on possible legislative reforms for the 2007 session. At the same time, citizen proponents of payday lending reform are expected to use Oregon's initiative process to put a question before voters on the November 2006 ballot to enact consumer protections.

How Payday Loans Trap Borrowers in a Cycle of Debt

Problems with Payday Loans

Our study indicates that the terms of a typical payday loan combine to trap cash-strapped consumers in a cycle of debt, in three main ways:

1. High Costs Rip Off Cash-Strapped Borrowers

Our survey results indicate that in Lane County the most common[14] annual percentage rate charged by payday lenders, based on a $300 loan principal for a full 14-day term is five hundred twenty-one percent (521%).

Most Commonly Charged APR for a $300 loan for 14 days:
521%

This 521% APR is the most commonly charged rate in Eugene, Springfield, and in the county as a whole. Of the storefronts surveyed, the highest posted APR for a 14-day term was 548%, and the lowest was 391%. The lowest APR found was for a 30-day term loan, at 365%. The highest posted APR found was for a 7-day term loan, at 886%.

Most lenders charge a flat fee based on the loan amount even though the length of the loan may only be a few days. Thus, the actual interest rates charged to a borrower can approach and exceed 1000%.[15]

The APR is not always clearly disclosed to prospective borrowers before they are at the point of signing a loan contract, despite the fact that Oregon administrative rule requires that "the Annual Percentage Rate shall be posted prominently inside the lender's office where customers can easily see it."[16]

The lender is required only to disclose the annual percentage rate for a typical loan,[17] the actual annual percentage rate the borrower may be charged can far exceed the posted rate. Of the storefronts surveyed in Lane County, the surveyor could not locate the posted APR in 21%, and in an additional 4% the posting was difficult to see.

For any consumer, the extremely high cost of a payday loan makes it a poor deal. This rip-off is especially acute for the cash-strapped borrower to whom payday loans are marketed and for whom there are few mainstream choices. The last thing a borrower desperate for quick cash needs is another drain on his income. A $60 fee for a $300 short term loan is excessive, and immediately puts an obstacle in the way of the borrower's ability to repay the loan.

2. Payday Loans are Difficult to Repay

Once a borrower takes out a payday loan, he encounters difficulty in repaying it. Our research indicates that a borrower is normally required to pay back the loan in a single payment at the end of a very short loan term, typically 14 days, instead of through installments over the course of time.

The short loan period of a payday loan leaves borrowers very little time to come up with the funds to repay the loan when due, especially while still paying for existing household expenses. Typical terms of payday loans range from a few days to several weeks.

Frequently, borrowers are unable to repay the entire loan on their next payday as repaying the entire loan in one balloon payment would leave them without the financial resources to pay for such necessities as food, rent, and utility bills. A survey conducted by the Oregon State Department of Consumer and Business Services of payday loan customers in 2004 indicated that 74% of borrowers surveyed were unable to repay a payday loan when it became due.[18]

Our review of loan contracts and promissory notes revealed that some lenders insert clauses to prohibit or penalize a borrower's attempt to prepay the loan or to make installment payments.

Prepayment clauses financially discourage a borrower from paying off his loan early. While a borrower in Oregon who pays off a loan early is entitled a refund of the unearned portion finance charge, lenders may, and do, insert clauses to assess the borrower a minimum finance charge of ten percent (10%) of the amount financed for prepayment of the loan.

For example, such a clause was in a contract executed in Clackamas, Oregon, for a loan amount of $260 for a term of seven days with a fee of $45.50. If the borrower paid the loan back early, after four days, he would have been refunded $19.50 in unearned interest, but assessed a finance charge of $26.[19]

Lenders may also not allow a borrower to make installment payments, or insert clauses to discourage the borrower from making an installment payment. Similar to the prepayment penalty, a borrower may be assessed a minimum finance of 10% of the amount financed if he makes an installment payment.[20]

Our survey indicates that while payday loans' structure, high fees and short term make them very difficult for borrowers to repay, payday lending storefronts do not typically require a rigorous test of the borrower's ability to repay the loan, such as a credit check. Instead, a payday loan is secured by the borrower's personal post-dated check for the amount of the loan and the finance charge. When a new paycheck or other income does arrive in the borrower's account, the lender can put the check through to get payment. This direct access to the borrower's bank account is uncommon in mainstream lending.

3. The Steep Dive into Debt

If a borrower is unable to overcome the obstacles to repaying the entire loan when due, the typical payday loan is designed to drive him quickly into deeper debt, whether through high cost rollovers, additional fees, court costs, or a combination of these.

High cost rollovers. Our research indicates that when borrowers are unable to repay the full amount of the loan after the short term, payday lenders encourage them to "rollover" the loan, extending it for an additional short term.[21]

In Lane County, our survey indicates that to rollover the loan lenders typically require payment of the original interest or fee. To rollover a $300 loan, for example, a borrower is most likely required to pay another $60 fee, but not pay down the principal or receive any additional cash.

The high cost of the rollover, made on top of the already high cost to take out the loan in the first place, quickly begins to mount, making it more and more difficult to repay the loan.

A typical borrower of $300 who rolls over the loan the three times allowed in Oregon will pay the original fee of $60, plus three rollover fees each for $60. Over the course of 8 weeks, a borrower initially desperate for $300 has paid $240 in fees and $300 in loan principal. To keep up with the fees, a consumer may take out another payday loan in order to pay off the first.

Additional Fees. If a consumer cannot repay the loan when due, and the lender cashes the borrower's check, the borrower is likely to incur non-sufficient fund (NSF) fees, among other penalties. Our research revealed that lenders may also trap borrowers into paying additional fees through the use of an "acceleration clause," to accelerate the due date of the loan. A clause may state, for example, that if the "Lender reasonably believes itself to be insecure in the repayment of the note, Lender may, at its option, declare the entire unpaid balance of this Note to be due immediately and payable without notice or demand."[22]

Thus, a lender may present a borrower's check at the borrower's bank even before the borrower has received his next paycheck. Because the borrower has not yet received his paycheck and does not have the funds available in their bank account, the borrower will then incur non-sufficient funds (NSF) fees with their bank, and will likely owe additional fees to the lender as an NSF charge.

Debt Collection. A borrower who defaults on a payday loan is also likely to find himself driven deeper into debt. In recent years, short-term lenders have sued over 12,000 Oregonians.[23] Payday lenders may insert clauses into the loan application or contract that put the borrower at a disadvantage should he or she default on the loan, such as requiring the borrower to pay the lender's costs and expenses of collection, including attorney's fees and court costs.[24]

Additional clauses may require the borrower to agree to have any disputes that arise decided by binding arbitration, sign away his right to go to court or to have a jury trial. Still other contracts require the borrower to sign a statement saying he has no intention to file for Bankruptcy.[25]

A Lane County Family's Experience with Payday Loans

Ruby and Ronald's family of five found themselves in trouble when they unexpectedly lost their food stamps. To make ends meet, they took out a payday loan for $700 for a term of two weeks, at a fee of $140, an annual interest rate of 521%. They wrote a post-dated check for the $840, but when the loan came due and the lender cashed the check, Ruby and Ronald didn't have enough money in the bank.

The lender sent them a letter telling them the check was returned due to non-sufficient funds, and assessed a $25.00 returned check fee due immediately. The lender gave them two options – either pay the full $865, or pay the $25 NSF fee and another $140 fee to rollover the loan for another two weeks. In the letter, the lender said doing the latter option would restore their status as a "preferred customer." Ruby and Ronald didn't have the money to pay the $865, so they rolled over the loan. When it came due again, they rolled it over again.

To keep up with the mounting fees, they took out two additional payday loans and a car title loan. Ruby and Ronald realized they were caught in a trap. Finally they sought the services of a local credit union, which helped them finance the repayment of what by that time had become a debt of over $2000.

Recommendations to policy makers and regulators:

Policymakers and regulators should take steps to rein in the predatory practices of payday lenders. To help solve the problems highlighted in this report, solutions to consider should include:

- Capping the annual interest rate
- Requiring a portion of principal be repaid prior to the rollover or renewal of the loan, if rollovers are to be allowed
- Requiring that such loans allow for a payment plan, eliminating the single balloon payment structure that is commonly used by lenders; a payment plan could be required after a certain number of rollovers, if the single balloon payment structure is to be retained
- Giving borrowers the right to rescind or cancel the loan, which is a term common in many loans, and would add a layer of protection for consumers
- Lengthening the minimum loan term, to allow borrowers adequate time to repay the loan without the need to renew or rollover the loan
- Stopping simultaneous borrowing from multiple lenders, by the use of a shared database, which is a solution currently in use in other states
- Limiting rollovers to less than the current statutory maximum of three
- Prohibiting the use of abusive clauses in loans
- Prohibiting the use of post-dated checks or electronic access to bank accounts
- Prohibiting multiple non-sufficient funds charges and fees for the same loan transaction and its associated rollovers, as well as further limiting or prohibiting statutory damages for dishonored checks associated with payday loans.

METHODOLOGY

In January, 2006 OSPIRG obtained information from the Oregon Department of Consumer and Business Services indicating that as of December 31, 2005, 31 payday lending storefronts were licensed in Lane County, concentrated in the cities of Eugene and Springfield.

In March, 2006, OSPIRG staff and volunteers at the Lane Community College OSPIRG chapter conducted in-person surveys of 24 licensed payday lending storefronts in Eugene and Springfield, Oregon. These cities are home to 90% of the licensed payday lending storefronts in Lane County. Because many storefronts are owned by the same payday loan company, the survey is representative of 93% of the licensed active payday lenders in the county.

In addition to the survey, OSPIRG staff conducted a review of actual borrowers' loan contracts and promissory notes, and additional background research that included an examination of the industry's national and local presence, growth, and regulation.

The in-person survey was designed to determine the annual interest rate (APR) charged on a $300 loan principle for a 14-day term, whether the APR was posted clearly as required in Oregon, and the typical length of the loan term. Percentages for the most common annual percentage rate are calculated using the number of storefronts surveyed. Because, however, most lenders charge a flat fee based on the loan amount despite the fact that the loan period may only be a few days, the actual interest rates charged to a borrower may exceed the most commonly charged interest rate.

The survey was also designed to determine other lending practices including the fees charged to rollover a loan, whether a credit check is required to apply for a loan, and whether a post-dated check is required to obtain a loan.

Survey Results

Payday Loan Storefronts in Lane County

Name of Payday Loan Storefront	Storefront Address	City	Name Of Company Owning Storefront	Corporate Headquarters
Ace Cash Express Inc	895 W 7th Ave	Eugene	Ace Cash Express Inc	Irving, TX
Ace Cash Express Inc	177 Q St	Springfield	Ace Cash Express Inc	Irving, TX
Anydays Payday Online	500 Main St Suite D	Springfield	ADP Financial LLC	Springfield, OR
Advance America Cash Advance, Advance America	1020 Green Acres Rd #4	Eugene	Advance America Cash Advance Centers Of Oregon Inc	Spartanburg, SC
Advance America Cash Advance, Advance America	5640 Main St	Springfield	Advance America Cash Advance Centers Of Oregon Inc	Spartanburg, SC
Advance America Cash Advance, Advance America	1447 Hwy 99 North	Cottage Grove	Advance America Cash Advance Centers Of Oregon Inc	Spartanburg, SC
Allied Cash Advance	4222 Commerce St Unit A	Eugene	Allied Cash Advance Oregon LLC	Miami, FL
Allied Cash Advance	57 Main St	Springfield	Allied Cash Advance Oregon LLC	Miami, FL
Allied Cash Advance	176 Melton Rd	Creswell	Allied Cash Advance Oregon LLC	Miami, FL
Check Into Cash	47 Silver Ln	Eugene	Check Into Cash of Oregon Inc	Cleveland, TN
Check Into Cash	48 West 18th Ave Suite 2	Eugene	Check Into Cash of Oregon Inc	Cleveland, TN
Check Into Cash	1669 18th St	Springfield	Check Into Cash of Oregon Inc	Cleveland, TN
Check Into Cash	148 Gateway Blvd	Cottage Grove	Check Into Cash of Oregon Inc	Cleveland, TN
Check N Go	1055 Bailey Hill Rd Suite C	Eugene	Check N Go of Oregon Inc	Mason, OH
Check N Go	1853 Pioneer Pkwy E	Springfield	Check N Go of Oregon Inc	Mason, OH
The Cash Store	2911 W 11th Ave	Eugene	Cottonwood Financial Ltd	Irving, TX
The Cash Store	4239 Barger Dr	Eugene	Cottonwood Financial Ltd	Irving, TX
The Cash Store	1914 Marcola Rd	Springfield	Cottonwood Financial Ltd	Irving, TX
Ace Cash Express #5359	2019 River Rd Riviera Shopping Center	Eugene	Mckenzie Financial Inc	Eugene, OR
Ship N Chek	1050 Green Acres Rd Suite 4	Eugene	Mckenzie Financial Inc	Eugene, OR
Check Cash Northwest	1111 Willamette St Suite A	Eugene	Oak Brook Financial Corporation	Portland, OR
Nationwide Budget Finance	1705 W 6th St	Eugene	Oak Brook Financial Corporation	Portland, OR
Check Cash Northwest	1330 Mohawk Blvd	Springfield	Oak Brook Financial Corporation	Portland, OR
Quik Check	315 Coburg Rd Suite C	Eugene	Quik Check Financial Inc	Logan, UT
Quik Check	4215 C Main St	Springfield	Quik Check Financial Inc	Logan, UT
Rent-a-center	2009 Olympic St	Springfield	Rac West Acquisition Sub Inc	Plano, TX
Pocket Money Of Eugene	1699 West 11th	Eugene	True Financial Incorporated	Salem, OR
US Title Loans	1301 W 6th St	Eugene	United States Title Loan Company	Atlanta, GA
US Title Loans	2600 Main St Suite E	Springfield	United States Title Loan Company	Atlanta, GA
Speedy Cash	485 Hwy 99	Eugene	Wolf Creek Financial Inc	Eugene, OR
Speedy Cash	4219-b Main St	Springfield	Wolf Creek Financial Inc	Eugene, OR

Lane County: Payday Loan APR

Most Commonly Charged APR for a $300 loan for a 14-day term	**521%**
% of storefronts where surveyor could not locate the APR posting	21%
% of storefronts where the APR posting was difficult to see	4%
Highest posted APR for a 14 day loan	548%
Lowest posted APR for a 14 day loan	391%
Highest posted APR — for a 7 day loan	886%
Number of Payday Lending Storefronts Operating in Lane County	31
% of Payday Lending Storefronts Surveyed in Lane County	80%
Number of Payday Lenders Operating in Lane County	14
% of Lenders Represented in Survey	93%

Name of Payday Loan Storefront	Storefront Address	City	Name Of Company Owning Storefront
Ace Cash Express Inc	895 W 7th Ave	Eugene	Ace Cash Express Inc
Ace Cash Express Inc	177 Q St	Springfield	Ace Cash Express Inc
Advance America Cash Advance, Advance America	1020 Green Acres Rd #4	Eugene	Advance America Cash Advance Centers Of Oregon Inc
Advance America Cash Advance, Advance America	5640 Main St	Springfield	Advance America Cash Advance Centers Of Oregon Inc
Allied Cash Advance	4222 Commerce St Unit A	Eugene	Allied Cash Advance Oregon LLC
Check Into Cash	47 Silver Ln	Eugene	Check Into Cash Of Oregon Inc
Check Into Cash	48 West 18th Ave Suite 2	Eugene	Check Into Cash Of Oregon Inc
Check N Go	1055 Bailey Hill Rd Suite C	Eugene	Check N Go Of Oregon Inc
Check N Go	1853 Pioneer Pkwy E	Springfield	Check N Go Of Oregon Inc
The Cash Store	2911 W 11th Ave	Eugene	Cottonwood Financial Ltd
The Cash Store	4239 Barger Dr	Eugene	Cottonwood Financial Ltd
The Cash Store	1914 Marcola Rd	Springfield	Cottonwood Financial Ltd
Ace Cash Express #5359	2019 River Rd Riviera Shopping Center	Eugene	Mckenzie Financial Inc
Check Cash Northwest	1111 Willamette St Suite A	Eugene	Oak Brook Financial Corporation
Nationwide Budget Finance	1705 W 6th St	Eugene	Oak Brook Financial Corporation
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Quik Check	4215 C Main St	Springfield	Quik Check Financial Inc
Rent-A-Center	2009 Olympic St	Springfield	Rac West Acquisition Sub Inc
US Title Loans	1301 W 6th St	Eugene	United States Title Loan Company
Speedy Cash	485 Hwy 99	Eugene	Wolf Creek Financial Inc
Speedy Cash	4219-b Main St	Springfield	Wolf Creek Financial Inc
Ship N Chek	1050 Green Acres Rd Suite 4	Eugene	Mckenzie Financial Inc
Ship N Chek	1050 Green Acres Rd Suite 4	“”	“”
Pocket Money of Eugene	1699 West 11th	Eugene	True Financial Incorporated
Pocket Money of Eugene	1699 West 11th	“”	“”

“” indicates the information is the same as in the listing above

Corporate Headquarters	Fee for a $300 loan	Fee per $100	Typical Loan Term (days)	APR	APR Posting Noticed	APR Posting Clearly Readable
Irving, TX	$51.00	$17.00	14	443%	yes	yes
Irving, TX	$51.00	$17.00	14	443%	yes	yes
Spartanburg, SC	$54.00	$18.00	14	469%	yes	yes
Spartanburg, SC	$54.00	$18.00	14	469%	yes	yes
Miami, FL	$60.00	$20.00	14	521%	yes	yes
Cleveland, TN	$60.00	$20.00	14	521%	yes	yes
Cleveland, TN	$60.00	$20.00	14	521%	yes	yes
Mason, OH	$60.00	$20.00	14	521%	yes	yes
Mason, OH	$60.00	$20.00	14	521%	no	—
Irving, TX	$60.00	$20.00	14	521%	yes	yes
Irving, TX	$60.00	$20.00	14	521%	yes	yes
Irving, TX	$60.00	$20.00	14	521%	no	—
Eugene, OR	$51.00	$17.00	14	443%	yes	yes
Portland, OR	$54.00	$18.00	14	469%	no	—
Portland, OR	$60.00	$20.00	14	521%	no	—
Portland, OR	$60.00	$20.00	14	521%	yes	yes
Logan, UT	$63.00	$21.00	14	548%	yes	yes
Logan, UT	$94.50	$31.50	21	548%	yes	yes
Plano, TX	$45.00	$15.00	14	391%	no	—
Atlanta, GA	$60.00	$20.00	14	521%	yes	no
Eugene, OR	$54.00	$18.00	14	469%	yes	yes
Eugene, OR	$56.61	$18.87	14	492%	yes	yes
Eugene, OR	$66.00	$22.00	17	472%	yes	yes
“”	$51.00	$17.00	7	886%	“”	“”
Salem, OR	$45.00	$15.00	14	391%	yes	yes
“”	$90.00	$30.00	30	365%	“”	“”

Lane County: Payday Loan Fees and Practices

Name of Payday Loan Storefront	Storefront Address	City	Name of Company Owning Storefront	Corporate Headquarters
Ace Cash Express Inc	895 W 7Th Ave	Eugene	Ace Cash Express Inc	Irving, TX
Ace Cash Express Inc	177 Q St	Springfield	Ace Cash Express Inc	Irving, TX
Advance America Cash Advance, Advance America	1020 Green Acres Rd #4	Eugene	Advance America Cash Advance Centers Of Oregon Inc	Spartanburg, SC
Advance America Cash Advance, Advance America	5640 Main St	Springfield	Advance America Cash Advance Centers Of Oregon Inc	Spartanburg, SC
Allied Cash Advance	4222 Commerce St Unit A	Eugene	Allied Cash Advance Oregon LLC	Miami, FL
Check Into Cash	47 Silver Ln	Eugene	Check Into Cash Of Oregon Inc	Cleveland, TN
Check Into Cash	48 West 18Th Ave Suite 2	Eugene	Check Into Cash Of Oregon Inc	Cleveland, TN
Check N Go	1055 Bailey Hill Rd Suite C	Eugene	Check N Go Of Oregon Inc	Mason, OH
Check N Go	1853 Pioneer Pkwy E	Springfield	Check N Go Of Oregon Inc	Mason, OH
The Cash Store	2911 W 11Th Ave	Eugene	Cottonwood Financial Ltd	Irving, TX
The Cash Store	4239 Barger Dr	Eugene	Cottonwood Financial Ltd	Irving, TX
The Cash Store	1914 Marcola Rd	Springfield	Cottonwood Financial Ltd	Irving, TX
Ace Cash Express #5359	2019 River Rd Riviera Shopping Center	Eugene	Mckenzie Financial Inc	Eugene, OR
Ship N Chek	1050 Green Acres Rd Suite 4	Eugene	Mckenzie Financial Inc	Eugene, OR
Ship N Chek	“”	“”	“”	“”
Check Cash Northwest	1111 Willamette St Suite A	Eugene	Oak Brook Financial Corporation	Portland, OR
Nationwide Budget Finance	1705 W 6Th St	Eugene	Oak Brook Financial Corporation	Portland, OR
Check Cash Northwest	1330 Mohawk Blvd	Springfield	Oak Brook Financial Corporation	Portland, OR
Quik Check	315 Coburg Rd Suite C	Eugene	Quik Check Financial Inc	Logan, UT
Quik Check	4215 C Main St	Springfield	Quik Check Financial Inc	Logan, UT
Rent-A-Center	2009 Olympic St	Springfield	Rac West Acquisition Sub Inc	Plano, TX
US Title Loans	1301 W 6Th St	Eugene	United States Title Loan Company	Atlanta, GA
Pocket Money of Eugene	1699 West 11Th	Eugene	True Financial Incorporated	Salem, OR
Speedy Cash	485 Hwy 99	Eugene	Wolf Creek Financial Inc	Eugene, OR
Speedy Cash	4219-B Main St	Springfield	Wolf Creek Financial Inc	Eugene, OR

* indicates a response was not obtained from the payday lender on that question

“” indicates the information is the same as in the listing above

Fee for a $300 loan	Fee to Rollover $300 Loan	Does lender run credit check?	Is a post-dated check required?
$51.00	*	no	*
$51.00	$51.00	yes	*
$54.00	$54.00	no	yes
$54.00	$54.00	yes	yes
$60.00	$60.00	no	yes
$60.00	$60.00	no	yes
$60.00	$60.00	no	yes
$60.00	*	no	yes
$60.00	$60.00	yes	*
$60.00	$60.00	no	yes
$60.00	$60.00	no	yes
$60.00	$60.00	no	yes
$51.00	*	no	yes
$66.00	*	no	yes
$51.00	""	""	""
$54.00	$54.00	*	yes
$60.00	$60.00	no	yes
$60.00	$60.00	no	yes
$63.00	$63.00	*	yes
$94.50	$94.50	no	*
$45.00	$45.00	no	yes
$60.00	*	*	*
$45.00	$25.00	no	yes
$54.00	$54.00	no	yes
$56.61	*	no	*

Springfield: Most Commonly Charged Payday Loan APR

Most Commonly Charged APR for a $300 loan for a 14-day term	**521%**
Highest posted APR for a 14 day loan	548%
Lowest posted APR for a 14 day loan	391%
Number of Payday Lending Storefronts Operating in Springfield	12
Percentage of Payday Lending Storefronts Surveyed in Springfield	67%
Number of Payday Lending Companies Operating in Springfield	12
% of Lending Companies Represented in Survey	67%

Name of Payday Loan Storefront	Address Surveyed	Name of Company Owning Storefront	Corporate Headquarters	Fee for a $300 loan	Fee per $100	Typical Loan Term (days)	APR
Ace Cash Express Inc	177 Q St	Ace Cash Express Inc	Irving, TX	$51.00	$17.00	14	443%
Advance America Cash Advance, Advance America	5640 Main St	Advance America Cash Advance Centers of Oregon Inc	Spartanburg, SC	$54.00	$18.00	14	469%
Check N Go	1853 Pioneer Pkwy E	Check N Go Of Oregon Inc	Mason, OH	$60.00	$20.00	14	521%
The Cash Store	1914 Marcola Rd	Cottonwood Financial Ltd	Irving, TX	$60.00	$20.00	14	521%
Check Cash Northwest	1330 Mohawk Blvd	Oak Brook Financial Corporation	Portland, OR	$60.00	$20.00	14	521%
Quik Check	4215 C Main St	Quik Check Financial Inc	Logan, UT	$94.50	$31.50	21	548%
Rent-A-Center	2009 Olympic St	Rac West Acquisition Sub Inc	Plano, TX	$45.00	$15.00	14	391%
Speedy Cash	4219-B Main St	Wolf Creek Financial Inc	Eugene, OR	$56.61	$18.87	14	492%

Eugene: Most Commonly Charged Payday Loan APR

Most Commonly Charged APR for a $300 loan for a 14-day term	**521%**
Highest posted APR for a 14 day loan	548%
Lowest posted APR for a 14 day loan	391%
Highest posted APR — for a 7 day loan	886%
Number of Payday Lending Storefronts Operating in Eugene	16
Percentage of Payday Lending Storefronts Surveyed in Eugene	100%
Number of Payday Lenders Operating in Eugene	12
% of Lending CompaniesRepresented in Survey	100%

Name of Payday Loan Storefront	Address Surveyed	Name of Company Owning Storefront	Corporate Headquarters	Fee for a $300 loan	Fee per $100	Typical Loan Term (days)	APR
Ace Cash Express Inc	895 W 7th Ave	Ace Cash Express Inc	Irving, TX	$51.00	$17.00	14	443%
Advance America Cash Advance, Advance America	1020 Green Acres Rd #4	Advance America Cash Advance Centers Of Oregon Inc	Spartanburg, SC	$54.00	$18.00	14	469%
Allied Cash Advance	4222 Commerce St Unit A	Allied Cash Advance Oregon LLC	Miami, FL	$60.00	$20.00	14	521%
Check Into Cash	47 Silver Ln	Check Into Cash Of Oregon Inc	Cleveland, TN	$60.00	$20.00	14	521%
Check Into Cash	48 West 18Th Ave Suite 2	Check Into Cash Of Oregon Inc	Cleveland, TN	$60.00	$20.00	14	521%
Check N Go	1055 Bailey Hill Rd Suite C	Check N Go Of Oregon Inc	Mason, OH	$60.00	$20.00	14	521%
The Cash Store	2911 W 11Th Ave	Cottonwood Financial Ltd	Irving, TX	$60.00	$20.00	14	521%
The Cash Store	4239 Barger Dr	Cottonwood Financial Ltd	Irving, TX	$60.00	$20.00	14	521%
Ace Cash Express #5359	2019 River Rd Riviera Shopping Center	Mckenzie Financial Inc	Eugene, OR	$51.00	$17.00	14	443%
Check Cash Northwest	1111 Willamette St Suite A	Oak Brook Financial Corporation	Portland, OR	$54.00	$18.00	14	469%
Nationwide Budget Finance	1705 W 6Th St	Oak Brook Financial Corporation	Portland, OR	$60.00	$20.00	14	521%
Quik Check	315 Coburg Rd Suite C	Quik Check Financial Inc	Logan, UT	$63.00	$21.00	14	548%
US Title Loans	1301 W 6Th St	United States Title Loan Company	Atlanta, GA	$60.00	$20.00	14	521%
Speedy Cash	485 Hwy 99	Wolf Creek Financial Inc	Eugene, OR	$54.00	$18.00	14	469%
Ship N Chek	1050 Green Acres Rd Suite 4	Mckenzie Financial Inc	Eugene, OR	$66.00	$22.00	17	472%
Ship N Chek	1050 Green Acres Rd Suite 4	""	""	$51.00	$17.00	7	886%
Pocket Money of Eugene	1699 West 11Th	True Financial Incorporated	Salem, OR	$45.00	$15.00	14	391%
Pocket Money of Eugene	1699 West 11Th	""	""	$90.00	$30.00	30	365%

Notes

1. Oregon Department of Consumer and Business Services, 2005.

2. Jean Ann Fox, "The Growth of Legal Loan Sharking: A Report on the Payday Loan Industry", Consumer Federation of America, November 1998, p. 2.

3. Center for Responsible Lending, "Quantifying the Economic Costs of Predatory Payday Lending" (Revised February 24, 2004).

4. Cliff K. Booth and Same S. Tambour, Ferris Baker Watts, "Payday Loan Industry Valuation Overview," March 2, 2006, CFSA convention.

5. Id.

6. Oregon Department of Consumer and Business Services, 2005

7. State of Oregon Department of Consumer and Business Services, "Policy Review of Consumer Finance & Payday Lending" (July 2004), from $64 Million in 1999 to $215 Million in 2003.

8. Oregon Department of Consumer and Business Services, 2005

9. Oregon Secretary of State, Corporation Division, 2006.

10. ORS 725.622(4)

11. ORS 725.622 (5)

12. OAR 441-730-0270

13. Id.

14. Of the 24 storefronts surveyed, 11 charged 521% APR. The "most common result" is also known as the mode.

15. Missouri Attorney General Jay Nixon, "Nixon says report on payday loans in Missouri — with an average APR of 408 percent — indicates need for reform" January 19, 2005. http://www.ago.state.mo.us/newsreleases/2005/011905.htm

16. OAR 441-730-0270(d)

17. Id.

18. State of Oregon Department of Consumer & Business Services (DCBS), "Policy Review of Consumer Finance & Payday Lending" (July 2004). DCBS conducted two surveys of payday loan customers. One survey was given to state employees who had taken payday loans, the other of payday loan customers in the general population. In the general population, 74% of payday loan customers were unable to repay their original payday loan and had to rollover the loan.

19. Loan Mart, Promissory Note, executed January 2004. On file with OSPIRG.

20. Id.

21. A federal examination of the one of the nation's largest payday lenders found that the lender, Dollar Financial, actually provided financial incentives to its employees to encourage rollovers or loan renewals. Comptroller of the Currency Administrator of National Banks: US Department of the Treasury, OCC Orders Eagle to Cease Payday Lending Program, January 3, 2002. http://www.occ.gov/ftp/release/2002-01.txt

22. High Speed Cash, Promissory Note, executed February 2004. On file with OSPIRG.

23. *The Oregonian*, "Portland may tighten up on payday loan stores," February 21, 2006.

24. Loan Mart, Promissory Note, executed January 2004. On file with OSPIRG.

25. The Cash Store, Consumer Loan Agreement, executed December 2005. On file with OSPIRG.