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Banking and Securities Department Urges Consumers to Avoid Illegal ‘Easy Money’ Loans

Harrisburg, PA – During the holiday season, when individuals and families may be experiencing added financial stress, the Department of Banking and Securities urges consumers to avoid the lure of “easy money” loans from unlicensed, out-of-state lenders.

“The Internet contains a lot of seductive advertising that promises consumers fast access to cash without hassles,” says Secretary of Banking and Securities Robin L. Wiessmann. “These loans take advantage of people, sometimes through deception. We see too many ‘easy money’ borrowers end up paying outrageous – and often illegal – amounts of interest on these loans, losing their cars, or being harassed by debt collectors.”

“Easy money” lending education is one of four goals of Governor Tom Wolf’s new [Consumer Financial Protection Initiative](#), announced earlier this month.

Wiessmann points to alternatives to illegal “easy money” loans that include:

- Ask if your bank offers short-term loans or consider the Credit Union Better Choice program, which features short-term loans.
- Talk to trusted family or friends, local community and/or religious organizations.
- Ask your employer for a payroll advance.
- Try to negotiate with your creditor to give you more time or raise your credit limit.
- Pay the late fee on your bill: more than likely it will be less than the interest rate on that “easy money” loan.

“The promise of ‘easy money’ is not worth it,” Wiessmann added, “especially when you could end up paying dearly for it in the new year and potentially years to come.”

More information about the Credit Union Better Choice program is available online at www.pcua.org/ConsumerInfo/BetterChoice.aspx or call 800-932-0661.

Consumers can talk with the PA Housing Finance Agency, which can make referrals to free credit, housing, or foreclosure counseling at 855-827-3466.

Consumers can also call 1-800-PA-BANKS make sure that their lenders are properly licensed to do business in Pennsylvania, or to discuss their situation confidentially with a trained professional.

Consumers can also learn more about the risks of “easy money” loans online at:
www.dobs.pa.gov/Consumers/Investor%20Ed/Pages/Easy-Money.aspx

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