



FOR IMMEDIATE RELEASE

November 22, 2016

Banking and Securities Department Urges Consumers to Avoid Deceptive, Expensive ‘Easy Money’ Loans

Harrisburg, PA – The Department of Banking and Securities urges consumers to avoid deceptive “easy money” loans from unlicensed, out-of-state lenders that promise fast, hassle-free money for emergencies or holiday shopping.

These loans, often in the form of payday loans or car title loans, range from \$100 to \$1,000, although some go higher. Including interest and fees, these loans demand that you pay 300 to 1,000 annual percent interest (APR), which is unlawful in Pennsylvania. Many of these loans are short-term (due in two weeks to a month) although some loans take years to repay, often with added, unexpected charges.

“The Internet contains a lot of ‘guarantees’ of easy, fast ways to get cash that too often lead to long-term financial problems,” said Secretary of Banking and Securities Robin L. Wiessmann. “Too many people who take out ‘easy money’ loans end up paying shockingly high amounts of interest on these loans, losing their cars or motorcycles, or being hounded illegally by debt collectors.”

Wiessmann points to alternatives to “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 offered by credit unions.
- 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.

More information about the Credit Union Better Choice program is available online at <http://pcua.org/ConsumerInfo/BetterChoice.aspx>.

Consumers can call the PA Housing Finance Agency at 855-827-3466 (press “0”), and be referred to free credit, housing, or foreclosure counseling.

Consumers can also call 1-800-PA-BANKS to make sure that their lenders are properly licensed to do business in Pennsylvania, or to discuss their situation confidentially with a trained professional. Learn more about the risks of “easy money” loans online at: www.dobs.pa.gov/Consumers/Learn/Pages/Easy-Money.aspx.

The general public can contact the Department of Banking and Securities at 1-800-PA-BANKS or 1-800-600-0007 to ask questions or file complaints about financial transactions, companies,

or products. Members of the public are also invited to connect to the department through [Facebook](#) and [Twitter](#), or [subscribing](#) to the department's newsletter.

MEDIA CONTACT: Ed Novak, 717-783-4721

#