

Alternative Small Dollar Loan Toolkig

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IABG is a project of:

HEARTLAND
ALLIANCE
ENDING POVERTY

Illinois Asset Building Group



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PAYDAY LOAN

THE GOOD NEWS IS THAT I GOT THE LOAN...



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Online Payday Loan

TRUTH IN LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	FINANCE CHARGE The dollar amount the credit will cost you.	Amount Financed The amount of credit provided to you or on your behalf.	Total of Payments The amount you will have paid if you make all payments as scheduled.
747.92%	\$2,805.00	\$400.00	\$3,205.00

Illinois Auto Title Loan

<p>ANNUAL PERCENTAGE RATE</p> <p>The cost of your credit as a yearly rate.</p> <p>304.17%</p>	<p>FINANCE CHARGE</p> <p>The dollar amount the credit will cost you.</p> <p>\$2,044.16</p>	<p>Amount Financed</p> <p>The amount of credit provided to you or on your behalf.</p> <p>\$400.00</p>	<p>Total of Payments</p> <p>The amount you will have paid after you have made all payments as scheduled.</p> <p>\$2,444.16</p>
<p>Your payment schedule will be:</p>	<p>Number of Payments:</p> <p>24</p>	<p>Amount of Payments:</p> <p>\$101.84</p>	<p>When Payments Are Due:</p> <p>Monthly beginning on 3/7/2014</p>

Banking Opportunities

- Bank On Initiatives
- Predatory Lending Policy Reforms
- **Alternative Small Dollar Loans**
 1. Providing support to financial institutions
 2. Developing policies that expand use



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Safe Small Dollar Loans

Key Features:

- An APR, including fees, of 36% or less
- A term of at least 90 days, or one month per \$100 borrowed
- Multiple installment payments with no balloon payment at the end
- The ability of the borrower to repay the loan is considered by the lender



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ASDL Toolkit & Calculator

illinoisassetbuilding.org/resource/alternative-small-dollar-loan-toolkit/



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