Identifying Abusive or Unfair Lending Practices

PREDATORY LENDING COMES IN MANY FORMS

LOOK FOR THESE TELLTALE WARNING SIGNS

PREDATORY LENDING

PREPAID DEBIT CARDS

Failure to present the loan price as negotiable
Failure to clearly and fully disclose monetization fees
Failure to disclose the annual percentage rate
Failure to explain the true cost of the loan
Failure to disclose the effective annual percentage rate
Failure to disclose the full effect of revolving fees
Failure to disclose the total cost of a loan

UNDERSTANDING ANNUAL PERCENTAGE RATE

The act of borrowing money from a lender entails a series of costs and fees that may not be immediately apparent. The annual percentage rate (APR) is a key tool that helps borrowers understand these costs. APR is the rate that expresses the total cost of borrowing, including interest and fees, as a percentage of the loan amount.