



Community Loan Center

AFFORDABLE ALTERNATIVE TO PAYDAY LOANS

Predatory Financial Practices: A National Issue

- The typical payday borrower remains in payday loan debt for an average 212 days of the year after a two-week loan.
- The “churning” of existing borrowers’ loans every two weeks accounts for three-fourths of all payday loan volume.



Predatory Financial Practices Affect the workplace

24% of employees admitted their personal finances have been a distraction at work. -Source: PricewaterhouseCoopers, Employee Financial Wellness Survey



Don't borrow trouble

More than 50 percent of predatory loan recipients defaulted on their loans, placing their existing bank accounts at risk. Borrowers also could have their debts sold to a collection agency or face court action.

-source: American Progress



Community Loan Center Small-Dollar Loans

Alternative: Market-Based Approach

- Fairly priced small-dollar loans with reasonable terms
- Directly competes with high costs lenders
- Loans to workers repaid with payroll deduction
- No storefront-online loan program
- Local lenders use their loan capital and CLC lending system to earn interest income





Loan Details

- \$1,000 Loan Maximum
 - Or up to half of borrower's monthly gross pay
 - One Year Loan term
- 18% Interest (21.83% APR)
- \$20 loan origination fee
- Relaxed underwriting
- No collateral
- No Prepayment Penalties
- Repayments \$23.38/week or \$94/month

Bring the Community Loan Center to your community

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