



PREVENTIVE LAW SERIES
PAY DAY LOANS



Prepared by:
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WHAT IS PREDATORY LENDING?

Predatory lenders are businesses that offer short-term, high interest loans, such as payday loans.

WHY SHOULD I BE CONCERNED?

Payday lending fails to help solve financial problems; ninety-nine percent of payday loans go to repeat borrowers, trapping them in debt.

WHAT CAN I DO INSTEAD OF GETTING A PAYDAY LOAN?

Before you get a payday loan, you should consider the alternatives below if you need cash, or need to pay off a predatory loan:

1. Talk to your **Command Financial Specialist**.
2. Visit **Fleet and Family Support Centers** for private advice. Naval Air Station North Island (Coronado) (619) 545-6071; Naval Base San Diego (619) 556-7404.
3. Talk to your **on-base bank and/or credit unions**. They have been tasked to try to help you.
4. **Navy and Marine Corps Relief Society**, Naval Base San Diego (619) 238-1587; Naval Base Coronado (619) 435-8786. NMCRS in San Diego has an emergency "QUICK ASSIST LOAN" program designed to get you an interest-free loan up to \$300.00 (repayable in 10 months) in under 15 minutes. Members must not have a pending discharge, bankruptcy or military disciplinary action either pending or within the last six months. For loan application and information on eligibility see <http://www.nmcrs.org/quickassist.html>.
5. **Military One Source** has advice and referrals 24/7. See www.militaryonesource.com or call (800) 342-9647.
6. **Armed Forces Emergency Service Center** (877) 272-7337
7. **American Red Cross Armed Forces Emergency Service Center** provides 24/7 emergency financial advice and referral. Call (877) 272-7337 or visit www.redcross.org
8. **Joint Task Force on Financial Health** (Southwest) (619) 556-9353.

HOW DOES FEDERAL LAW PROTECT ME?

The Military Lending Act protects active duty service members and their families. The law limits the annual percentage rate (APR) to 36% on payday loans, vehicle title loans, and tax refund loans, and prohibits a creditor from "rolling-over" or refinancing the same loan between the same creditor and borrower.

Active duty members of the Army, Navy, Marine Corps, Air Force, or Coast Guard, as well as reserve members serving on active duty under a call or order that does not specify a period of 30 days or less, or a member serving on Active Guard duty as that term is defined in 10 U.S.C. § 101(d)(6); an eligible member's spouse or child as defined in 38 U.S.C. § 101(4); or an individual for whom a member has provided more than one-half of the individual's support for 180 days preceding the extension of credit; are all protected by this law.

COMMON QUESTIONS

If I was previously on active duty, but am no longer, am I protected by federal law? No.

If I am married to an active duty member, but I have my own income, am I protected by federal law? Yes.

Am I protected with money orders, western union wire transfers, or cashing checks at a payday loan store? No. The law does not apply to these kinds of transactions, even at a payday loan store.

LEGAL ASSISTANCE SERVICES

A legal assistance attorney is available by appointment Monday through Thursday from 0800 - 1030 and 1300 - 1500, and Friday from 0900 - 1100. Powers of attorney and notaries are available Monday through Friday at the same times. For more information, please contact the Legal Assistance Office, located in Building 56, 32nd Street Naval Station, San Diego, CA, by telephone at (619) 556-2211, or our office at Naval Air Station North Island – Coronado, Building 318 – Second Deck, above the Fleet and Family Support Center, Saufley Road, by telephone at (619) 545-6437.

RESOURCES

Federal Trade Commission: (877) FTC-HELP; www.consumer.ftc.gov/features/feature-0009-military-families

- Consumer Information: www.consumer.ftc.gov; (877) FTC-HELP
- File a Consumer Complaint: www.ftccomplaintassistant.gov

Fleet and Family Support Centers: www.navylifefsw.com/sandiego/familites/ffsc

- Naval Base San Diego: Bldgs. 259 & 263, 3005 Corbina Alley, San Diego, CA 92136; (619) 556-7404
- Naval Air Station North Island Bldg. 318, 318 Saufley St., San Diego, CA 92135; (619) 545-6071
- Naval Base Point Loma: Bldgs. 211 & 212, 140 Sylvester Rd., San Diego, CA 92106; (619) 553-7505

Navy and Marine Corps Relief Society: www.nmcrcs.org

- Naval Base San Diego: Bldg. 270, 3115 Dolphin Alley, San Diego, CA 92136; (619) 238-1587
- Naval Air Station North Island: Bldg. 318, 318 Saufley St., San Diego, CA 92135; (619) 435-8786

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Joint Task Force on Financial Health Southwest: (619) 556-9353

Military Lending Act, 10 U.S.C. § 987 (2012), as implemented in 32 C.F.R. Part 232 (2013).