CAC 37

United States Payday Loan Regulations

State	Fee limit	Maximum borrowed
Alabama	17.5%	$500
Alaska	$5 + 16%	$500
Arizona	Effective ban (36% APR + 5% fee)	
Arkansas	Effective ban	
California	17.65%	$500
Colorado	Complicated. See end of table	
Connecticut	Effective ban	
District of Columbia	Effective ban (24% p.a.)	$500
Delaware	No limit	
Florida	10% of cheque = 11.1% fee + $5 verification fee	$500
Georgia	Effective ban (16% p.a.)	
Hawaii	17.65%	$600
Idaho	No limit	$1,000
Illinois	15.5%	Lesser of ($1000, 25% of gross income)
Indiana	15% for $0-250; 13% for $251-400, 10% for $401-500	Lesser of ($550, 20% of gross income)
Iowa	17.65% first 100; 11.1% on the rest	$500
Kansas	15%	$500
Kentucky	17.65% + $1 database fee	$500
Louisiana	16.75% of face value of cheque Maximum $45 + $10 doc fee 350 loan is 55/350=15.71%	$350
Maine	30% APR or a fixed $5 up to $75, $15 for $75-250 or $25 for $250 or up Almost effective ban. Only seven stores in the state.	
Maryland	Effective ban (2.75% per mo.)	
Massachussets	Effective ban	
Michigan	15% first $100, 14% second	$600

	$100, 13% third $100, 12% fourth $100, 11% of fifth $100 + 11% of sixth $100 + database verification fee	
Minnesota	0 - $50: $5.50 fee $51 - $100: $5 + 10% $101 - $250: $5 + 7% (min $10) $251 - $350: $5 + 6% (min $17.50)	$350
Mississippi	Under 250, $20 per $100 $250-500, $21.95 per $100	$464
Missouri	75%	$500
Montana	Effective ban	
Nebraska	17.65	$500
Nevada	No limit except after default	25% of gross income
New Hampshire	Effective ban (36% APR)	
New Jersey	Effective ban (30% APR)	
New Mexico	16% of which .5% is verification fee	$2500
New York	Effective ban (25% APR)	
North Carolina	Effective ban (36% APR)	
North Dakota	20% + database entry fee	$500
Ohio	Effective ban (28% APR)	
Oklahoma	15% on $0-300 10% on $201-500	$500
Oregon	Effective ban	
Pennsylvania	Effective ban	
Rhode Island	10%	$500
South Carolina	15%	$550
South Dakota	No limit	$500
Tennessee	17.65	$425
Texas	Source not clear. Varies by size and time. APR 83.4% for 30 days $350 loan APR 569.92% for 7 days $100 loan	$500
Utah	No limit	No limit

Vermont	Effective ban (18% APR)	
Virginia	20% of loan + 36% APR + $5 verification fee	$500
Washington (see end of table)	15% first $500, 10% on the rest	$700
West Virginia	Effective ban (31% APR)	
Wisconsin	No limit	Lesser of ($1500, 35% of gross revenue)
Wyoming	Max ($30, 30%)	None

Colorado:
Colorado has a mandatory six month installment plan rather than a two week payday loan. The borrower can choose to repay earlier and there is no mandated schedule of how the repayments work. The fee is quite complicated; involving fixed, variable and time variable pieces;

20% on loans 0 - $300
+ 7.5% on amounts from $300 - $500, which is the loan limit.
Once the borrower enters into the contract, this part of the fee is earned and the borrower must pay it.
In addition, the borrower pays:
45% APR
+ 7.5% maintenance fee per month, to a maximum of $30 per month, starting after the first month.
So if a borrower repays a loan within one month, only the first two parts of the fee apply. Borrow $500 for one year and the fee would be:
.2 X $300 + .075 X $200 + .45 X 200 + 30 X $11 = 630. This is an APR of 130%, which is much lower than regular payday loans. But of course the borrower ought to repay the loan in installments during the year so that the final repayment is not $1,130 and the APR would be somewhat different. The Pew report, on Policy Solutions, discusses Colorado thoroughly.

Washington
Washington has an option for a borrower to choose to convert a payday loan to an installment loan on or before the due date. The installment period is no more than 90 days for a loan $400 or less and no more than 180 days for a larger loan. The specific installment plan is not prescribed in law. The borrower is not allowed to take out more than eight loans in a year and may not take out another loan while on an installment plan. No fee may be charged for the installment plan. There is a statewide database that allows enforcement of the eight loan limit. The loan volume in Washington has declined substantially since the installment plan was introduced and borrowers spend a smaller portion of each year in debt, since they do not have to refinance loans repeatedly.

<u>Methodology and source</u>
The information in this table comes primarily from: http://www.paydayloaninfo.org/state-information

If there were any questions arising, this site provides a link to the state regulator and I read the regulator's information. In the case of Texas I also read the legislation, but could not interpret it. The sample rates for Texas are taken from Pew (2013).