

In June 2008, in response to excessively high payday lending interest rates, the Ohio Legislature passed House Bill 545, the Short Term Lender Law. HB 545 capped interest rates at 28% APR, down from 391%, on all short-term loans. The industry objected to the law and mounted a referendum campaign, which it lost. In November 2008, 64 percent of the Ohio electorate voted in support of Issue 5, thus affirming HB 545.

Days after the election, most payday lenders shifted to other lending statutes, including the Small Loan Act and the Mortgage Loan Act where they were able to legally pack on exorbitant new fees. There are now “Loan Origination fees” and “Credit Report Fees” that are charged as often as every week. There is no reason for the customer to be charged these fees more than once in 90 days.

The industry also charges to cash loan checks and charges a CSO fee (see below). No one could have predicted this lending strategy, but it goes against the intent of the General Assembly and the vote of the people.

The Small Loan Consumer Protection Act closes the loopholes that have allowed lenders to avoid regulation for a year and a half.

Same Old High Interest

FINANCE CHARGE SCHEDULE*

* The APR calculation is based on a transaction with a 14-day term. Your APR may be different if your transaction term is not 14 days. The APR of your transaction will be disclosed in the federal Truth-In-Lending Statement contained in your contract.

ANNUAL PERCENTAGE RATE <small>The cost of your credit as a yearly rate (Assumes a 14-day term)</small>	FINANCE CHARGE <small>The dollar amount the credit will cost you</small>	AMOUNT FINANCED <small>The amount we pay to you or on your behalf</small>	TOTAL OF PAYMENTS <small>The amount you will have paid after you have made all payments as scheduled</small>	NUMBER OF PAYMENTS	Components of the Finance Charge		
					Loan Origination Fee	Credit Report Fee	Interest (accruing at the rate of 25% per annum)
676.55%	\$25.95	\$100.00	\$125.95	\$125.95	\$15.00	\$10.00	\$0.95
459.38%	\$26.43	\$150.00	\$176.43	\$176.43	\$15.00	\$10.00	\$1.43
350.79%	\$26.91	\$200.00	\$226.91	\$226.91	\$15.00	\$10.00	\$1.91
285.64%	\$27.39	\$250.00	\$277.39	\$277.39	\$15.00	\$10.00	\$2.39
233.55%	\$44.79	\$500.00	\$544.79	\$544.79	\$30.00	\$10.00	\$4.79
311.76%	\$119.58	\$1,000.00	\$1,119.58	\$1,119.58	\$100.00	\$10.00	\$9.58

Credit Services Organization:

Online cash advances in Ohio are made by NCP Finance Ohio, LLC. Credit approval is subject to the lender’s credit standards... **For cash advances in Ohio, applicant must retain Check ‘n Go as a credit services organization.**

From **Check n Go** website

Calculate Your Payback Amount

Loan Amount
\$
CALCULATE

You Borrow: \$500.00 Finance Charge: \$129.79

You Payback: \$629.79 APR: 676.76%

* Based on a 14 day loan term. [View full finance charge schedule](#) »

Check Cashing Fee:

Excerpt from *The Columbus Dispatch*, April 9, 2010

“The bill also would prohibit payday lenders from charging more than one origination fee in a 90-day period and prevent them from acting as brokers or credit counselors.

CheckSmart, for example, charges a \$15 origination fee and \$10 credit-verification fee, plus about \$4 in interest on each \$400 loan. **If a customer chooses to cash the loan check in the store, the person is charged up to \$31, for a total fee of \$60, the same amount that was charged before the current law went into effect.”**