

# Owe money to payday lenders? Tell them that you want a payment plan.

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New bills have just been passed to help stop the cycle of high-cost, long-term debt by giving you more options and time to repay your payday loans.

## **A new law, effective on Jan 1, 2010 protects you by:**

- Ensuring that you have enough time to pay back loans:
  - At any time, you can request a longer repayment plan: 90 days for loans under \$400; 180 days for loans over \$400
  - The minimum term of a loan is your next paycheck unless that is less than 7 days. If it is less than 7 days, the minimum term is your next following pay date.
- Making sure you do not exceed the amount that you can reasonably pay back:
  - Loans can only be 30% of your income or \$700, whichever is less.
- Reducing the need for additional loans to pay back the original loan:
  - Lenders cannot legally loan individuals more than 8 loans in a given year. If you are unable to repay a loan, you can enter into a repayment plan instead of taking out a new loan.



## **Effective July 26, 2009, new rules stop lenders from harassing customers**

Lenders must limit the number of times they contact you to collect payment to no more than 3 times in a single week and they cannot threaten, intimidate or embarrass you.

## **Who is eligible?**

Everyone who takes out a payday loan is eligible for the terms listed above. If a lender is not following these terms, or if you feel that you are being harassed by your lender, contact the Alliance to Prevent Predatory Lending-[appl@noloan sharks.org](mailto:appl@noloan sharks.org) or 206-300-0222.

## **SPEAK UP!**

Thank your legislators for taking steps toward making payday lenders act responsibly. Tell them your story about how these new laws are helping you and your community.



**Alliance to Prevent Predatory Lending**  
[appl@noloan sharks.org](mailto:appl@noloan sharks.org), 206-300-0222, [www.noloan sharks.org](http://www.noloan sharks.org)