



Virginia Car title Loans

A Breakdown of Fees and Costs to Borrowers

Buyers Beware! There loans are still a bad deal and you can still lose your car!

\$700 loan		\$1000 loan		\$1500 loan	
22% fee per month	\$ 154	22% fee per month under \$700	\$ 154	22% fee per month under \$700	\$ 154
		18% per month \$700-1400	\$ 54	18% per month \$700-1400	\$ 126
4 month loan		Total fees	\$ 208	15% per month \$1400+	\$ 15
Fee	\$ 616			Total fees	\$ 295
Principal	\$ 700	4 month loan			
Total repayment	\$ 1,316	Fee	\$ 832	4 month loan	
Monthly installment	\$ 329	Principal	\$ 1,000	Fee	\$ 1,180
Rough APR	268%	Total repayment	\$ 1,832	Principal	\$ 1,500
		Monthly installment	\$ 458	Total repayment	\$ 2,680
6 month loan		Rough APR	253%	Monthly installment	\$ 670
Fee	\$ 924			Rough APR	239%
Principal	\$ 700	6 month loan			
Total repayment	\$ 1,624	Fee	\$ 1,248	6 month loan	
Monthly installment	\$ 271	Principal	\$ 1,000	Fee	\$ 1,770
Rough APR	268%	Total repayment	\$ 2,248	Principal	\$ 1,500
		Monthly installment	\$ 375	Total repayment	\$ 3,270
		Rough APR	253%	Monthly installment	\$ 545
				Rough APR	239%
12 month loan		12 month loan		12 month loan	
Fee	\$ 1,848	Fee	\$ 2,496	Fee	\$ 3,540
Principal	\$ 700	Principal	\$ 1,000	Principal	\$ 1,500
Total repayment	\$ 2,548	Total repayment	\$ 3,496	Total repayment	\$ 5,040
Monthly installment	\$ 212	Monthly installment	\$ 291	Monthly installment	\$ 420
Rough APR	264%	Rough APR	250%	Rough APR	236%

Information Compiled with help from the Center for Responsible Lending

A document by the Virginia Partnership to Encourage Responsible Lending (VaPERL)



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SUMMARY OF New Car Title Loan Law Effective October 1st 2010

1. Creates new section of the Code for Motor Vehicle Title Loans

2. Lenders using car titles as collateral for a loan must comply with the new section and can no longer use the open-end credit loophole in Va Code 6.1-330.78.

3. Purchase money lenders, Banks, credit unions and consumer finance companies are exempt.

4. Lenders must be licensed and regulated by the SCC with a statutory framework the same as payday lenders.

5. Interest caps as follows:

a. 22% per month (264% APR) for that portion of the loan under \$700

b. 18% per month (216% APR) for that portion of the loan between \$700 and \$1400

c. 15% per month (180% APR) for that portion of the loan over \$1400

6. No interest may be charged after repossession and after the loan is in default 60 days, unless the borrower hides the vehicle.

7. Minimum loan term of 120 days and a maximum loan term of one year

8. Loans must be closed-end and repayment must be in substantially equal monthly installments of principal and interest.

9. If the borrower defaults, the lender can only repossess. Lender can't file suit for a judgment.

10. Lender must give 10 days notice by mail before repossessing a vehicle. The notice runs from the date mailed by the lender.

11. Lender must give 15 days notice before selling the car after repossession.

12. Cannot loan more than 50 percent of the fair market value of the car

13. No electronic debiting of borrower's deposit account.

14. The car used as collateral must be lien-free

15. One loan at a time per borrower.

16. No loans to members of the military

17. Lenders must comply with the Fair Debt Collection Practices Act

18. Loan cannot be refinanced, renewed or rolled over

19. Enforced by Virginia Consumer Protection Act