

Payday Loan Act
Passed Virginia
General Assembly

Payday Lending: Bad Business in Virginia

PAYDAY LENDER LICENSEE ACTIVITY FOR YEARS 2002 – 2006

*Data from the Virginia Bureau of Financial Institutions

| | 12/31/2002 | 12/31/2003 | 12/31/2004 | 12/31/05 | 6/6/2006 |
|--|---------------|---------------|---------------|-----------------|----------|
| Total number of locations operated by payday lender licensees at year end | 377 | 596 | 696 | 756 | 776 |
| % Increase from previous year | | 58 | 17 | 9 | 3 |
| Total number of payday loans made | 604,087 | 2,046,121 | 2,898,934 | 3,372,103 | |
| % Increase from previous year | | 239 | 42 | 16 | |
| Total dollar amount of payday loans made | \$165,659,916 | \$655,645,430 | \$988,135,464 | \$1,197,105,829 | |
| % Increase from previous year | | 296 | 51 | 21 | |
| Total number of individuals to whom payday loans were made | 124,362 | 285,798 | 387,696 | 445,891 | |
| % Increase from previous year | | 130 | 36 | 15 | |
| Number of individuals who received 13 loans or more | | 50,928 | 76,068 | 90,859 | |
| % Increase from previous year | | | 49 | 19 | |

Payday lenders are luring Virginians who find themselves in financial need into inescapable debt traps. Their business model hinges on their ability to keep customers coming back again and again to pay only the mounting interest on their rolled over payday loans. At up to **780% APR**, this spells enormous profits. However, **when payday lenders win, Virginia's economy loses**. Our workforce is weakened, our benefits rolls are increased, and our overall economic sustainability is put in jeopardy. **Urge the Virginia General Assembly to repeal the Payday Loan Act of 2002 so that payday lenders operate under the same consumer protections that all other responsible lenders must.**

Payday loan shops really are “on every corner”:

As of June 2005, there were 382 McDonald’s restaurants in Virginia = 2 payday loan shops for each McDonald’s!

As of August 2006, there were 249 Starbuck’s in Virginia = 3 payday loan shops for every Starbuck’s!

Millions Lost in Fees:

More than 50% of the payday loan businesses in Virginia are owned by **OUT OF STATE** companies. Over **\$167 million in fees** flowed out of Virginia in 2005 alone.

Big players (20+ branches) include:

ACE Cash Express, Inc. with **36** branches which operates out of Texas. This company is publicly traded on the NASDAQ.

Advance America, Cash Advance Centers of Virginia, Inc. with **128** branches which operates out of South Carolina. This company is publicly traded on the NYSE.

Allied Cash Advance operating out of California with **29** branches.

American Cash Exchange Enterprise with **21** branches.

Approved Cash Advance Centers operating out of Tennessee with **36** branches.

CashNet, Inc. d/b/a Cash Advance Centers with **34** branches.

Check into Cash operating out of Tennessee with **64** branches.

Check 'n Go of Virginia operating out of Ohio with **64** branches.

Express Check Advance of Virginia with **31** branches.

Fast Payday Loans, Inc. with **38** branches.

Quik Cash operating out of Kansas with **22** branches.

Urgent Money Service operating out of North Carolina with **24** branches.



Virginia Partnership to Encourage Responsible Lending (**VaPERL**): If you are interested in learning more about predatory lending in Virginia or would like to join our listserve, please contact Helen O’Beirne, Responsible Lending Coordinator, at 804.643.2474 or helen@viginiainterfaithcenter.org.