PLAN FOR THE FUTURE

Borrow only as much as you can afford to repay with your next paycheck while still having enough money for your living expenses. Make a realistic budget. Build some savings. Even small deposits can help to avoid borrowing for emergencies, unexpected expenses or other items. Remember that payday loans are not an effective solution for your long-term financial needs! Keep in mind that payday loans are intended only for short periods of time. Although they are quick and easy to obtain, customers pay considerably higher prices for the convenience of these loans.

CONTACT THE VIRGINIA BUREAU OF FINANCIAL INSTITUTIONS

If you have questions about payday loans, you may contact the Bureau of Financial Institutions toll free at 1-800-552-7945 or through the Internet at www.scc.virginia.gov/bfi.

If you have a complaint about a payday loan, the complaint must be filed in writing and include copies of supporting documentation. Complaints may be mailed to: Bureau of Financial Institutions, Attn: Complaints, P.O. Box 640, Richmond, VA 23218-0640 or may be faxed to Bureau of Financial Institutions, Attn: Complaints at (804) 371-9416.

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CONSUMER GUIDE TO AN EXTENDED TERM LOAN

Virginia State Corporation Commission
Bureau of Financial Institutions

CONSUMER GUIDE TO AN EXTENDED TERM LOAN

Payday Lending in the Commonwealth of Virginia – Effective January 1, 2009, revised May 1, 2014.

PLEASE TAKE A FEW MOMENTS TO REVIEW THE INFORMATION IN THIS BROCHURE.

It is designed to educate consumers about an extended term loan which may be available to consumers who are obtaining their fifth payday loan within a 180 day period beginning January 1, 2009. This information is provided in an effort to assist you in making a well-informed decision that meets your personal financial circumstances. You will find brief explanations about the extended term loan, partial payments on an extended term loan, and prepayment in full of an extended term loan. This brochure only addresses the extended term loan. Other brochures are also available entitled "Consumer Guide to Payday Lending" and "Consumer Guide to an Extended Payment Plan for Repaying a Payday Loan".

Extended Term Loan: Beginning January 1, 2009, an extended term loan may be available to you as a consumer if you are obtaining your fifth payday loan within a consecutive 180 day period. You may have the option to repay that fifth payday loan through an extended term loan. You must choose the extended term loan on the date the payday loan is made.

The licensed payday lender must verbally tell you at the time that you obtain your fifth payday loan within a 180 day period if you are eligible for an extended term loan once they input your information into the database. In addition, a written notice or poster containing information about the extended term loan must be in each licensed location. Further information about the extended term loan can also be found in the handout "Borrower Rights and Responsibilities" that your licensed lender gives to you. See "Five Payday Loans within 180 Days".

The extended term loan will be secured by a check for the amount borrowed plus the interest and fees permitted. The check must be dated the date the final payment is due. You have the option to provide the payday lender with a replacement check for the remaining balance owed, after making the required payment due on your extended term loan. At your request, the licensed payday lender may print a replacement security check while you are in the office making your payment. The payday licensee must return the original check to you once you provide the replacement check.

If you enter into an extended term loan with the licensed payday lender, you will be required to sign and date a written agreement.

Under an extended term loan, you will be allowed to repay the amount that you owe in four equal payments over a term of 60 days. This means a payment will be due every 15 days.

If you obtain an extended term loan, you will not be allowed to obtain another payday loan for either: 90 days following the date the extended term loan is paid in full or 150 days following the date the extended term loan was obtained, whichever is greater.

When you make payments on your extended term loan, you have the right to receive signed, dated receipts showing the payment made and the remaining loan balance due.

Partial Payment of an Extended Term Loan: You have the right to make partial payments on the amounts due under your extended term loan in advance of the payment due dates. The partial payments must be in increments of not less than $5.00. If you make a partial payment rather than the full payment prior to the payment due date on your extended term loan, it will not change the payment schedule or the amount of interest or loan fee which is due. Any partial payments made on an extended term loan prior to the due date of the payment will first be applied to any past due payment and then to the next scheduled payment.

Prepayment in Full of an Extended Term Loan: If you choose to prepay your extended term loan in full prior to the due date of the final payment, you will be responsible to pay the $5.00 verification fee and the pro-rata portion of the total interest and loan fee due, based upon the number of days that have elapsed between the loan date and the maturity date.

Right to Cancel: You have the right to cancel your extended term loan at any time before the close of business on the next day the lender is open for business, following the date the loan was made. If you cancel your extended term loan you must pay the payday lender the amount advanced to you (in cash, certified check, cashier's check, money order, or if the lender is equipped to handle such payments, by credit card, prepaid card, or debit card). The payday lender will not be allowed to charge the verification fee, interest, or the loan fee when you cancel the loan as stated above.