

## Amazing Facts

Other key facts from a 2005 CRL Fact Sheet on payday lending:

Number of McDonald's restaurants	13,000
Number of payday lenders	22,000
State regulated/unregulated payday lenders	239
McDonald's restaurants in AR	127
Repeat borrowers	99%
Effective annual interest rate	372.45% - 869.22%
Arkansas Constitution annual interest rate cap	17%
A conservative estimate	\$3.4 billion

Other key facts from a 2005 CRL Fact Sheet on payday lending:

- The average payday borrower is "rolled over" eight times by a single lender.
- A conservative estimate is that predatory payday lending costs American families \$3.4 billion annually.
- An August 2004 statement issued by Advance America, the largest payday lender in the nation, placed the average amount of loans to its borrowers at 9 per year.
- The most recent statistics provided by industry sources report a total of 22,000 payday lending offices nationwide. These offices generated a total sales volume of \$40 billion with \$6 billion in fees from about 10 million transactions.
- Under Act 1216 of 1999, the Arkansas law governing payday lending, borrowers pay an effective annual interest rate of 372.45% - 869.22% percent for a 14-day loan.
- In comparison, the highest credit card rates rarely exceed 29 percent APR – less than one-tenth the APR charged on a payday loan – even though credit cards and payday loans have similar rates on default.
- One measure of the scope of payday lending is the number offices, which proliferated in recent years. There are nearly twice as many payday lending offices in the United States than McDonald's restaurants – 22,000 payday offices versus 13,000 McDonald's.
- The comparison also applies to Arkansas – 239 payday lending outlets compared with 127 McDonald's restaurants.

## Contact Us

Our coalition is dedicated to improving the lives of our citizens by removing abusive payday lending from the State of Arkansas. If you would like to join, or learn more about our organization please contact

**Arkansans Against Abusive Payday Lending**  
 c/o Michael Rowett, Chairman  
 Union Station, Suite 400  
 1400 West Markham  
 Little Rock, Arkansas 72201  
 501-661-0322 ext. 23  
 Email: [mrowett@southernngff.org](mailto:mrowett@southernngff.org)

Or visit our web site at  
[www.stoppaydaypredators.org](http://www.stoppaydaypredators.org)

If you are a consumer with payday loans that you feel you cannot pay, contact us — we can help!

According to a December 2003 study by the Center for Responsible Lending (CRL) of payday lending industry data, borrowers who receive five or more loans a year account for 91 percent of payday lenders' business.



**Arkansans Against Abusive Payday Lending**