

Want to find a loan you can trust?

Check out www.money-happy.org, a project of **Housing and Economic Rights Advocates (HERA)**.

Sometimes you need money, and it shouldn't cost you a fortune. **Money Happy** helps you find safe and affordable lenders and grant providers near you.



HERA is a not-for-profit legal services organization dedicated to economic justice.

For additional information or to request assistance, please contact us at inquiries@heraca.org or call us at (510) 271-8443 ext. 300

PROTECTING ALL PEOPLE FROM DISCRIMINATION AND ECONOMIC ABUSES, ESPECIALLY IN THE REALM OF HOUSING

We explain your options and rights.

We help you defend your rights and fight abusive practices through advocacy.

We teach you how to build a safe financial future for you and your family.

HERA

housing and
economic
rights advocates

HOUSING & ECONOMIC RIGHTS
ADVOCATES

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How Much Will My Loan Cost?

HERA

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Learn about small dollar loan basics, what to know and what to watch out for.



How do I know how much I am paying for my loan?

Get a copy of your loan contract in your own language. If you negotiated for a loan in **Spanish, Chinese, Korean, Vietnamese, or Tagalog**, the lender must give you a copy of the contract in this language under California law.

Find the **Truth-In-Lending Disclosure** (often called the **"TILA Box"**) in your loan contract. Lenders must include a TILA box in every consumer loan contract. The **TILA Box** tells you the true cost of the loan in the same form for every loan.



Sample "TILA Box"

1) Annual Percentage Rate	2) Finance Charge	3) Amount Financed	4) Total of Payments
The cost of your credit at a yearly rate (including your fees and interest)	The dollar amount the credit will cost you	The amount of credit provided to you without the costs included.	The amount you will have paid after you have made all payments as scheduled (Including fees and interest)
7.99%	\$ 109	\$ 2,500	\$ 2,609

- 1) **The Annual Percentage Rate, or APR**, tells you the **cost of your loan**, each year, as a percentage of the amount you borrow.
- 2) **The Finance Charge** is the amount you will pay for your loan in addition to repaying the amount you borrow.
- 3) **The Amount Financed** is the amount that you will receive (borrow) on the loan.
- 4) **The Total of Payments** is the total amount you will pay the lender for your loan, including the Amount Financed and the interest and fees.

Beware of Predatory Loans and Scams!

"Bait and Switch" Scams:

Some predatory lenders promise you one loan but give you a more expensive one. No matter what the lender promises you, the terms of your loan are those in your written loan contract. Make sure that you read your contract **BEFORE** you sign it.

"Payday " Loans:

Payday lenders provide the most expensive kind of credit. In California, payday lenders can charge as much as \$45 on a \$300 loan that must be paid back in two weeks. **This is equal to an APR of more than 460%.**

Offering a bigger loan than you asked for:

Avoid lenders who offer you loans of more than \$2,500, even though you ask for less. California has no cost limit on loans over \$2,500, and so many predatory lenders only make loans over this amount.

