



## BORROWER'S RIGHTS FOR PAYDAY LOANS AND VEHICLE TITLE LOANS

- 1) All credit access businesses must post **Borrower's Rights** poster in a location that is conspicuous and accessible to the public. The poster must be:
  - a. Printed on poster at least 8 1/2 X 14
  - b. Printed in Times New Roman font or a similar font with minimum font size of 14 points
  - c. The poster must be entitled:
- 2) The Borrower's Rights poster must provide the following language:
  - a. A borrower's income must be reviewed before a loan amount is determined.
  - b. The business must review proof of a borrower's income. The review of the borrower's income can be helpful in assisting the borrower to determine his or her ability to repay the loan.
  - c. **Total Cost of the Loan.** Borrowers have the right to ask about the total cost of the loan. Before borrower signs a loan the business must provide the borrower the total cost of loan.
    - I. **The total cost of the loan** includes the cash advanced (or the amount borrowed), plus interest, fees and other charges or costs that must be paid in full to pay off the loan. Knowing the total cost of the loan can be helpful in determining the borrower's ability to repay the loan.
  - d. **Single Payment Loan.** When a loan, including the entire principal balance, interest and all lender and credit access business fees are scheduled to be paid in full in one (1) single payment, this is considered a single payment loan,
    - I. If the borrower cannot fully repay the loan with a single payment, the loan may be refinanced or renewed.
    - II. The loan cannot be refinanced or renewed more than three (3) times. This means the borrower should have fully repaid the loan after the fourth payment (this includes the first payment plus the refinances or renewals).
    - III. With each payment the borrower must repay at least 25% of the total loan. The total loan is the amount borrowed, plus interest, fees and other charges or costs that must be paid in full to pay off the loan.
  - e. **Loans Established for Multiple Payment or Installment.** A multiple payment loan includes more than one scheduled payment to the lender and credit access business before the loan is paid in full.
    - I. When the borrower signs the installment agreement a borrower should know the payment schedule and the amount of the loan due at each payment.
    - II. With each payment the borrower must repay at least 25% of the total loan. The total loan is the amount borrowed, plus interest, fees and other charges or costs that must be paid in full to pay off the loan.
    - III. Installment or multiple payment loans **must be fully repaid with no more than a total of four (4) payments.**
    - IV. When at least 25% of the total loan is repaid with each payment, the loan should be fully repaid after payment of the fourth and final payment.
    - V. An installment or multiple payment agreement may not be renewed or refinanced.
  - f. Borrowers may contact the City of Austin to inquire about loan requirements or file a complaint, by calling 311.
  - g. The lenders must provide the borrower with a current copy the City of Austin's financial education and assistance resource referral.