
ALTERNATIVES TO PAYDAY AND OTHER HIGH COST LOANS

In Indiana, the annual percentage rate (APR) on a payday loan can legally reach as high as 391%, and can cause a cycle of repeated borrowing and costs greater than the original loan. If you are already struggling with payday loans, or before you borrow money from a payday loan store or take out another high cost loan, consider the alternatives listed below.

IF YOU ARE EMPLOYED:

- Find out if your employer has a program that will allow you to take an advance on your next paycheck, borrow against savings, or receive emergency assistance.
- Find out if your employer has partnered with a Community Loan Center to loan you money at 18% interest, with 3% up front.

IF YOU ARE IN THE MILITARY SERVICE OR THE NATIONAL GUARD, OR A VETERAN:

- You may be eligible for a grant up to \$2500 for necessities of daily living. Go to <https://www.in.gov/dva/2329.htm> for the application.
- You may be eligible for help with payment of necessary expenses from the Veteran of Foreign Wars (VFW) Unmet Needs Program. Call 1-866-789-6333, or go to: <https://www.vfw.org//media/VFWSite/Files/Assistance/UnmetNeedsEligibilityCriteria.pdf>.

IF YOU ARE OVER 60 OR DISABLED:

- Contact your local Area Agency on Aging, which may be able to help with health and support programs. To find your local agency, call 1-800-986-3505.

IF YOU ARE A SURVIVOR OF DOMESTIC VIOLENCE:

- You may be eligible for direct cash assistance with necessities, small loans, and matched savings. Call 1-800-538-3393 for referrals to these programs.

GENERALLY:

- Call 211 for referrals to organizations that may be able to help you with money assistance to pay necessary bills, referrals to groups that may help you with food and other necessities, and financial counseling.
- If you need help with utility bills, fixing or replacing a furnace, child care, Head Start, matched savings accounts, home ownership, or signing up for affordable health insurance, you may be able to get help from your local Community Action Agency. Call 1-800-382-9895 to find your local agency.
- Try negotiating a payment plan with your creditors.

- Find out if friends or family would loan you a small amount temporarily.
- Ask your church or place of worship, or a local faith-based group, for help. Many have programs to help people out of small debt or to help with other services, or even to extend small, much more affordable loans.
- Ask your local Township Trustee for assistance.
- Contact a local credit union to find out if they have payday alternative loans up to 28% APR, or other more affordable installment loan products.
- Apply at banks or other finance companies for small installment loans, typically at 36% APR or less.
- Consider using a credit card or credit card cash advance as their interest rates may be less expensive than a payday loan, with APRs generally at 18-30%.

AVOID ON-LINE LENDERS OFFERING HIGH INTEREST RATES

Some online lenders make loans that are currently illegal in Indiana. If the loan is illegal, you may not be required to pay it back. If you have a loan from an online lender and would like to check to see if it is legal, please contact the Indiana Department of Financial Institutions at <https://faqs.in.gov/hc/en-us/requests/new>

FOR GENERAL COMPLAINTS ABOUT LOANS OR COLLECTIONS:

If you have a complaint about any financial product, you can file it with the Consumer Financial Protection Bureau at: <https://www.consumerfinance.gov/complaint/>

You can also file complaints with the Indiana Department of Financial Institutions at: <https://www.in.gov/dfi/2760.htm>