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Tips on Protecting Yourself From Elder Financial Abuse

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PREDATORY LENDERS - PAYDAY LENDERS

Payday or Predatory Lenders Target Social Security Benefits

A large number of Americans surprisingly speculate that only young adults are having a hard time paying their bills. The prevailing opinion is that senior citizens have a significant bank account that allows them to pay all of their expenses with no dilemmas. The truth, often forgotten, is that about 75% of America's senior citizens are agonizing with troubles paying ever-rising medical expenses, medications, and the usual expenses of daily living.

The majority of senior citizens simply receive a Social Security check once a month. When the money is gone there is nothing left to spend. Predatory lenders have begun offering seniors short-term solutions that lead to devastating long-term ruin. So-called payday lenders offer high-cost, short-term loans that result in annual percentage rates of more than 400 percent. If a senior does not pay off the full amount of the loan at the end of the loan period (typically two weeks), he or she must pay additional fees without receiving any additional money. Too many seniors are getting caught in a cycle of payday lender debt.

Payday Lenders' Fraud

Helpful Hints to Consider Before Obtaining a Payday Loan

Some of the problems that can arise with payday loans are:

- **The loan term is short** and is often not enough time to obtain the money needed to repay the loan in full.
- **If the loan cannot be paid back in full** at the end of the term, it has to be renewed, extended, or more money has to be borrowed to cover the first loan. Fees are charged for each transaction.
- **The interest rates** that are charged are very high - sometimes 400% or higher.

- **If the lender deposits the check** to repay the loan and there are insufficient funds in the borrower's account, the borrower is hit with even more fees for insufficient funds and still owes the amount of the loan to the lender.
- **Also, be careful with auto title loans** - these are small, high-interest loans given using a car as collateral. If you default on the loan, you lose your car.
- **If you feel that a payday loan is your only option:**
 - **Do not under any circumstances agree to deposit your Social Security benefits** in a bank account suggested by the payday lender.
- **Shop for the lowest fees and penalties**, some credit unions offer payday loans with low fees.
- **Borrow only as much as you can afford to repay** with your next benefit check.
- **Know when your payment is due** and be sure to repay the loan on time and in full.

Try to plan for the future by creating a budget that includes an emergency fund for unexpected expenses.

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About The Evans Law Firm

The Evans Law Firm is a plaintiffs' firm concentrating on elder abuse (physical and financial), consumer fraud class actions involving, particularly insurance and banking claims, consumer product liability and personal injury/wrongful death cases, particularly asbestos-mesothelioma, pharmaceutical product liability, negligence personal injury claims, as well as qui tam (whistleblower/false claims) and employment discrimination litigation.

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