

## CONSIDER YOUR OPTIONS

Auto Title Loans are designed for consumers who need to borrow money only for a short length of time. **Due to the short-term nature of these loans and the higher fees involved, these services are not intended to be used by consumers who need to borrow money for a longer period of time.**

If you need to borrow money you should explore several different lending options. Contact various lending institutions and compare fees to find the most economical loan that best suits your financial needs. **If you are not absolutely certain you can repay the loan at the end of the term, you should seriously consider not taking out a short term loan like an auto title loan**

Consumers who are experiencing financial difficulty or serious financial setback may wish to obtain assistance from a consumer credit counselor or a debt management company **prior** to taking out a loan.

Debt management companies can provide assistance to consumers who need help reorganizing their debts. They can work with consumers and their creditors to coordinate repayment agreements and help make their finances more manageable. **Beware of unlicensed debt management companies and unlicensed lenders.** To obtain a list of licensed debt management companies contact the Department of Financial and Professional Regulation, Division of Financial Institutions at 1-888-298-8089, or visit the department's website, [www.idfpr.com](http://www.idfpr.com), where a list of licensees is posted and you can search for individual licensees.

In addition, consumer credit counseling services can provide valuable financial education and budgeting advice. If you would like to contact a consumer credit counselor, consult your local Yellow Pages for services available in your area.

## CONTACT THE DEPARTMENT OF FINANCIAL INSTITUTIONS

If you have questions about Auto Title Lending, please contact the Illinois Division of Financial Institutions at:

Illinois Department of Financial Institutions  
Consumer Credit Section  
100 West Randolph  
9<sup>th</sup> Floor  
Chicago, Illinois 60601

Or

1-888-298-8089



## CONSUMER GUIDE TO AUTO TITLE LENDING

**Presented By  
Illinois Department of Financial  
and  
Professional Regulation,  
Division of Financial Institutions**



## AUTO TITLE LOANS

Auto Title Loans can offer quick and easy access to money for the consumers who need to borrow funds for a short length of time. Although these loans are convenient to obtain, borrowers are strongly advised to carefully review the contract before they sign it to ensure that they fully understand their obligations as well as the fees charged for these loans. In addition, it is important that consumers are aware of the significant additional costs they can incur if they are unable to repay these loans when they are due.

Please take a few moments to review the information in this brochure. It is designed to inform consumers about Auto Title Lending in order to assist you with making a well informed decision that best meets your personal financial circumstances. Inside you will find brief explanations of Auto Title Lending, as well as your rights and responsibilities as a consumer. Additional information about services available to consumers who are experiencing financial difficulty is included as well.

If you have questions about Auto Title Lending, or about Debt Management Services, contact the Illinois Department of Financial and Professional Regulation, Division of Financial Institutions at 888-298-8089.

Auto Title Loans are a form of short-term loan. To obtain an Auto Title Loan, borrowers give the lender the title to their car as collateral for the loan. If the loan is not repaid the borrower runs the risk of losing their car. **Consequently, before you take out an auto title loan be certain you can fully repay the loan according to its term.**

## LOAN ROLLOVERS

In exchange for this quick and easy access to cash, consumers pay higher interest rates and fees. Problems commonly arise when a borrower is unable to repay the loan when it is due and instead “rolls over” the loan for a longer period of time which leads to rapidly mounting debt.



## CONSUMER RIGHTS & RESPONSIBILITIES

➤ **PAY BACK YOUR LOAN!** Know when your payment is due and be sure to repay the loan on time and in full. Failure to repay the loan on or before its due date can lead to rapidly mounting debt. It can also result in additional costs including: daily interest charges, late charges, collection fees and could lead to legal action against you, and repossession of your automobile.

➤ You have a right to repay the loan before its due date without any prepayment penalty. In addition, when a loan is paid in full prior to the due date, the amount of interest paid by the consumer is reduced.

➤ Borrow only as much money as you can afford to fully repay when the payment is due, **which may be less than the amount you may be eligible to receive.**

➤ You have the right to full disclosure in your contract of all interest charges, the annual percentage rate (APR) of the loan and all fees before you sign the loan contract.

➤ Before you take out an Auto Title Loan, read the contract thoroughly and be sure that you understand all the terms of the loan. **Once the loan agreement is signed, you are legally responsible to fulfill the obligations in the contract.**

➤ Know the fee that you are paying for the loan, and be aware of the Annual Percentage Rate the lender is charging.

➤ Keep in mind that title loans are intended to be taken out only for short periods of time. Although these loans are quick and easy to obtain, customers pay considerably higher prices for the convenience of these loans.