

UNITED STATES OF AMERICA

132 3264

loans with payments due over several months. The typical APR of a car title loan can be over 300%.

5. Each additional payment after the first ~~time~~ is termed a “renewal.” The average consumer does not repay the loan in 30 days, instead “renewing” the loan an average of eight times. Loan amounts differ but typically are \$1,000 and up to \$10,000. The lender takes possession of the consumer’s ~~car title~~ and charges a monthly fee, sometimes as much as 25% of the amount borrowed per month. For example, the amount of fees would be \$250 per month and after eight renewals, a consumer taking out the average loan amount of \$1,000 would pay approximately ~~\$2,000~~ fees.

#### Respondent’s Business Practices

6. Respondent offers consumers car title loans in Georgia, purportedly in accord with Part 5 of Article 3 of Chapter 12 of Title 44 of the Georgia statutes relating to pawnbrokers, O.C.G.A. Sections ~~44~~2-130 et seq., which are secured by the borrower’s ~~car title~~.

Lowest Rate Title Pawn  
Ask about 0% Interest. No Credit Check.

Title Lending– Low Rates  
0% for 30 days. Get the Most Money.

- c. A sampling of the billboard advertisements, copies of which are attached as Exhibits 3 – 5 (Exhibit 5 is in Spanish) provides the following disclosures:

- i. Exhibit 3:

**0% Interest** for 30 days

*Certain terms and conditions may apply*

- ii. Exhibit 4:

**0% Interest**

- iii. Exhibit 5:

**0% Interest**  
**Compramos Prestamos Sobre Su Titulo**  
(Buy on your title loans)

- d. The flyer and brochure advertisements, copies of which are attached as Exhibits 6 – 8, provide the following disclosures:

- i. Exhibit 6:

**0%** Interest

**9.5%** or lower!

**Lowest Rates in Town**

ii. Exhibit 7:

Get up to \$5,000 in less than 30 minutes  
No credit check - your car is your credit  
Lowest rates in town as low as 9.5%  
Title pawned? We can buy it out!  
0% Interest for 30 days

(This ad is also in Spanish)

iii. Exhibit 8:

**0%** Interest for 30 days!  
Rates as low as 9.5%

e. The newspaper advertisements, copies of which are attached as Exhibits 9 – 10, provides the following disclosure BDC 68(de)4(s)-1( t)-2(he)4( f)3(ol)-2(l)/





Count II

20. Respondent's advertisements promoting the extension of ~~credit~~ credit in consumer credit transactions, including but not limited to those described in Paragraph 8.d., provide a rate of finance charge but fail to state that rate as an ~~annual~~ annual percentage rate "APR."

21. Therefore, Respondent's practices violate Section 144 of TILA, 15 U.S.C. §1664, and Section 1026.24(c) of Regulation Z, 12 C.F.R. §1026.24(c).

THEREFORE, the Federal Trade Commission this \_\_\_ day of \_\_\_\_\_, has issued this complaint against Respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL: