

In the Matter of

**First American Title Lending of Georgia,
LLC,
a limited liability company.**

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 month 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 in 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 44-12-130 et seq., which are secured by the borrower’s free-and-clear car title. Respondent’s advertisements state that the title loans are offered at “0% interest rate” or “0% interest rate for 30 days.”
7. Respondent has disseminated or caused to be disseminated advertisements to the public promoting extensions of closed-end credit in consumer credit transactions, as the terms “advertisement,” “closed-end credit,” and “consumer credit” are defined in Section 1026.2 of Regulation Z, 12 C.F.R. § 1026.2, as amended.
8. Since at least January 2012, Respondent has disseminated or caused to be disseminated advertisements promoting its title loans, including on the website

Lowest Rate Title Pawns
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

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d. The flyer and brochure advertisements, copies of which are attached as Exhibits 6

e. The newspaper advertisements, copies of which are attached as Exhibits 9 – 10, provides the following disclosures:

i. Exhibit 9:

Lowest Rates!
0% Interest!

ii. Exhibit 10:

0% Interest!
(for 30 days)
Lowest Rates!

f. The yard sign advertisements, copies of which are attached as Exhibits 11 – 12 provides the following disclosures:

i. Exhibit 11:

0% Title Pawn bought T<</MCI

10. The advertisements, as shown in Paragraph 8, do not disclose: (1) that the advertised 0% does not apply unless the loan is completely repaid in 30 days, (2) that there will be a substantial finance charge if the loan is not completely repaid in 30 days and (3) the amount of this finance charge.
11. The advertisements, as shown in Paragraph 8, do not disclose that if the loan is not repaid in full in 30 days, the consumer would be required to pay the finance charge for the first 30 days in addition to any additional finance charges that incur on day 31 (for the second 30-day period).
12. The advertisements, as shown in Paragraph 8.d., display an additional rate of finance but do not disclose the rate of finance charge as an annual percentage rate (“APR”).
13. Many of Respondent’s borrowers do not repay their loans within the first 30 days or do not meet the requirements for the 0% introductory rate, and thus many of its borrowers end up paying finance charges.

VIOLATIONS OF THE FEDERAL TRADE COMMISSION ACT

Count I

Failure to Disclose Finance Charge

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