

Complaint

IN THE MATTER OF

CASHPRO d/b/a/ MAKEPAYDAYTODAY.COMCONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS
OF SEC. 144 OF THE TRUTH IN LENDING ACT

*Docket C-4220; File No. 072 3203
Complaint, June 3, 2008 – Decision, June 3, 2008*

This consent order addresses payday loan advertisements disseminated by CashPro, d/b/a *MakePaydayToday.com*, that failed to disclose the annual percentage rate for these loans, undermining consumers' ability to compare them to loans offered by other payday lenders or to alternative forms of credit. The order prohibits the respondent, in connection with any advertisement of consumer credit, from stating the amount or percentage of any down payment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the terms required by the Truth in Lending Act and its implementing Regulation Z, including the amount or percentage of the down payment, the terms of repayment, and the annual percentage rate. The order prohibits the respondent from stating a rate of finance charge without stating the rate as an annual percentage rate, and from failing to comply in any other respect with the Truth in Lending Act or Regulation Z. It requires that the respondent maintain all records that will demonstrate compliance with the order. The respondent must distribute copies of the order to various principals, officers, directors, and managers, and all current and future employees, agents and representatives having responsibilities with respect to the subject matter of the order. In addition, CashPro is required to notify the Commission of any changes in its corporate structure that might affect compliance with the order and to file with the Commission one or more reports detailing compliance with the order.

Participants

For the Commission: *Beverly Childs, Thomas Pahl, Cara Petersen, Patti Poss, Peggy L. Twohig, and Quisaira Whitney.*

For the Respondent: *Not represented by counsel.*

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COMPLAINT

The Federal Trade Commission, having reason to believe that CashPro d/b/a MakePaydayToday.com (“respondent”), a sole proprietorship owned by Mark and Roxanne Behrendsen has violated the provisions of the Truth in Lending Act, 15 U.S.C. §§ 1601-1667, as amended, and its implementing Regulation Z, 12 C.F.R. § 226, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent CashPro d/b/a MakePaydayToday.com is a sole proprietorship with its principal office or place of business at 4306 S. Carson St., Carson City, NV 89701.
2. Respondent has disseminated advertisements to the public that promote extensions of closed-end credit in consumer credit transactions, as the terms “advertisement,” “credit,” “closed-end credit,” and “consumer credit” are defined in Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended.
3. Respondent offers credit to consumers in the form of payday loans. Credit is defined as “the right to defer payment of debt or to incur debt and defer its payment.” Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended. Credit includes “a transaction in which a cash advance is made to a consumer in exchange for the consumer’s personal check, or in exchange for the consumer’s authorization to debit the consumer’s deposit account, and where the parties agree either that the check will not be cashed or deposited, or that the consumer’s deposit account will not be debited, until a designated future date. This type of transaction is often referred to as a ‘payday loan’ or ‘payday advance’ or ‘deferred-presentment loan.’” Comment 2 to Section 226.2(a)(14) of the Official Staff Commentary to Regulation Z; 12 C.F.R. Section 226.2(a)(14)-2, Supp.1, as amended. Payday loans have high rates and short repayment periods; they are often due on the borrower’s next payday, usually about every two weeks.

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4. Respondent has disseminated or has caused to be disseminated payday loan advertisements on the Internet, including but not necessarily limited to the attached Exhibit 1.

A. The advertisement states that MakePaydayToday.com's rates vary depending on the number of days for which the loan is made.

B. The advertisement provides that the maximum number of days for a loan is 14 days, but extensions may be done for up to 60 days.

C. The advertisement provides a fee schedule showing various "loan amounts and fees for our short term loans." According to the fee schedule, a \$100 loan repaid in 14 days costs \$19.95.

5. On a \$100 loan with a \$19.95 fee repayable in 14 days, the APR would be 520%.

Failure to Disclose Information Required by TILA

6. In credit advertisements, including but not necessarily limited to Exhibit 1, respondent has stated the number of payments or period of repayment and/or the amount of any finance charge, as terms for obtaining consumer credit in the form of a payday loan.

7. These advertisements have failed to disclose the "annual percentage rate" or "APR" using that term as required by Regulation Z.

8. Respondent's practices have violated Section 144 of the Truth in Lending Act ("TILA"), 15 U.S.C. § 1664, and Section 226.24(c) of Regulation Z, 12 C.F.R. § 226.24(c).

THEREFORE, the Federal Trade Commission this third day of June, 2008, has issued this complaint against respondent.

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By the Commission.

EXHIBIT 1

MakePaydayToday.com - Fast and Convenient Payday Loans

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Fast & Convenient Payday Loans
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Need some extra cash till your next payday?
If you have a regular monthly income and need a short term loan you've come to the right place.

We can help! Why Us?

- ☒ Quick approval for loans of up to \$500
- ☒ Very low fees!
- ☒ No credit checks
- ☒ Bad credit or no credit okay
- ☒ No faxing for qualified applicants
- ☒ Cash in your account within 24 hours
- ☒ Complete and submit an application
- ☒ Receive quick approval of your application
- ☒ Cash is deposited directly into your checking account

Members Login

Username: _____
Password: _____
[Forgot your username or password?](#)

New Customers

First Name: _____ Last Name: _____
Email: _____ Confirm Email: _____

☐ Yes ☐ No I am currently employed or I receive recurring income regularly.
☐ Yes ☐ No I make at least \$1,200 per month.
Select How long have you held your checking account.

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Frequently Asked Questions

- [Is my personal information safe and secure?](#)
- [What are the requirements for a loan?](#)
- [When does the loan come due?](#)
- [What is the maximum number of days I can do a loan for?](#)
- [How long does it take to be approved?](#)
- [How fast can I get a loan?](#)
- [How much can I borrow?](#)
- [What are your fees?](#)
- [How do I repay my loan?](#)
- [Can I do an Extension or Rollover?](#)
- [Do you do credit checks?](#)
- [I have a question not listed here](#)

Is my personal information safe and secure?

MakePaydayToday.com takes your security extremely seriously. We have been making loans since 2000, we are licensed in the State of Nevada, and have two stores in Carson City and Lake Tahoe. Furthermore, All your personal information is sent encrypted to our Secure Server using SSL, the standard for Internet-based commerce. Please review our privacy statement [here](#) for further information.

What are the requirements for a loan?

It's extremely easy to get a loan from MakePaydayToday.com! Our simple requirements are:

1. Be at least 18 years old
2. Make at least \$1,200/monthly gross income
3. Have a checking account open at least two months
4. Fax, Scan/Email, or send a Cell Phone picture of your current pay stub

For new customers, we may request that a current bank statement be sent.

When does the loan come due?

The loan comes due on the day you choose, up to 14 days from when the money will be deposited into your account. If you need the loan longer than 14 days, just do an extension. On the due date, if an extension has not been done, then the money will be withdrawn from your account as per our agreement.

What is the maximum number of days I can do a loan?

14 days. If you need longer than 14 days, you can do an Extension.

How long does it take to be approved?

FAST! You can be approved within two hours.

How fast can I get a loan?

You will typically have your money the next business day, assuming you make your request before 3:30pm PST or 6:30pm EST Monday-Friday. We cannot make deposits on weekends or bank holidays.

How much can I borrow?

25% of your total monthly gross income to a maximum of \$500.00.

<http://www.makepaydaytoday.com>

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What are your fees?

Unlike many loan companies, we charge by the day, making our rates some of the lowest on the Internet. Click here to see our current fee schedule.

How do I repay my loan?

On the day your loan comes due, we automatically withdraw the money from your checking account. This is done using the same system we used to deposit money into your account.

Can I do an Extension?

Yes! Extensions may be done for a maximum of 60 days from the date of your original payment date. If it is not convenient to have us withdraw the loan from your checking account on the due date, just log in to our secure server, click on the extension request form and fill it out. Our customer service staff will review your request immediately, and if approved the extension fee will be automatically withdrawn from your checking account the next business day.

Do you do credit checks?

No. We do not use the normal credit reporting agencies. However, we do use verification services.

I have a question not listed here.

Send an email to info@makepaydaytoday.com, or click here to use our contact form. Our customer service staff will be happy to assist you.

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Our payday loan application is the easiest you'll find anywhere

First fill out our quick and easy loan application. Typically you'll hear from us within a couple of hours via email after we receive your information.

If approved, your loan will be deposited into your bank account in as little as 24-hours, assuming your application is received by 3:30pm Monday-Friday PST (west coast time), or 6:30pm EST (east coast time).

When your loan is due, we will notify you via email approximately two days prior. If you are not ready to pay your loan off, you may extend the loan by paying an additional fee at the same rate as your original loan.

All loans are deposited directly to your bank account, and all payments are collected directly as well, requiring no action on your part.

Once you have successfully completed a loan with us, you can sign in to your account at any time and request a new loan in less than 60 seconds. No new documents, no new application, just make your request and the money will be sent to you.

We make it easy to get the money you need, *FAST!*

Need money quickly? Simply fill out our short loan application, which should take you less than five minutes, send us the requested documentation so we can verify your income, and then the money will be transferred into your checking account. The best part is you only have to do it once. It's that simple!

After submitting your application, you can sign in to the member section and check the current approval status of your loan at any time. When approved, you'll automatically be notified via email of your approval.

If you ever have a problem, you can always contact our friendly customer service staff by calling (775) 588-3333 to help you. It's never been so easy to get the money you need.

[Click here to apply for a loan now!](#)

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Our Low Rates!

The following table shows the loan amounts and fees for our short term loans. Unlike many payday loan companies, we give YOU control of when the loan is repaid, and only charge based on the number of days.

Loan Amount	Length of Loan							
	7 Days	8 Days	9 Days	10 Days	11 Days	12 Days	13 Days	14 Days
\$100.00	\$9.95	\$10.95	\$12.95	\$13.95	\$15.95	\$16.95	\$18.95	\$19.95
\$150.00	\$14.95	\$16.95	\$18.95	\$20.95	\$23.95	\$25.95	\$27.95	\$29.95
\$200.00	\$19.95	\$22.95	\$25.95	\$28.95	\$30.95	\$33.95	\$36.95	\$39.95
\$250.00	\$24.95	\$28.95	\$31.95	\$35.95	\$38.95	\$42.95	\$45.95	\$49.95
\$300.00	\$29.95	\$33.95	\$38.95	\$42.95	\$46.95	\$50.95	\$55.95	\$59.95
\$350.00	\$34.95	\$39.95	\$44.95	\$49.95	\$54.95	\$59.95	\$64.95	\$69.95
\$400.00	\$39.95	\$45.95	\$50.95	\$56.95	\$62.95	\$68.95	\$73.95	\$79.95
\$450.00	\$44.95	\$50.95	\$57.95	\$63.95	\$70.95	\$76.95	\$83.95	\$89.95
\$500.00	\$49.95	\$56.95	\$63.95	\$70.95	\$78.95	\$85.95	\$92.95	\$99.95

[Click here to apply for a loan now!](#)

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<http://www.makepaydaytoday.com/>

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[Home](#) | [Log In](#) | [Apply Now!](#) | [FAQs](#) | [How It Works](#) | [Our Low Rates](#) | [Privacy](#) | [About Us](#) | [Contact](#)**Need some extra cash till your next payday?**

If you have a regular monthly income and need a short term loan you've come to the right place.

We can help! Why Us?

- ☒ Quick approval for loans of up to \$500
- ☒ Very low fees!
- ☒ No credit checks
- ☒ Bad credit or no credit okay
- ☒ No faxing for qualified applicants
- ☒ Cash in your account within 24 hours
-  Complete and submit an application
-  Receive quick approval of your application
-  Cash is deposited directly into your checking account

Privacy Policy Statement

Your privacy is extremely important to us, and we appreciate your trust. Be assured that we'll use the latest technology to protect it.

Definitions:

You, your - means the borrower, applicant and customer.
We, us, our - means lender or MakePaydayToday.com.

Our Goal:

We understand the importance of building a trusting relationship with our customers. We also recognize that you expect your personal financial information to remain private and secure. While some of your personal financial information is critical to the operation of our business, we will not collect any more than is necessary.

Your Financial Privacy Rights:

We respect the privacy of our customers and are committed to treating customer information responsibly. We collect "non-public personal information" about you from the following sources:

1. Information we receive from you on applications or other forms.
2. Information about your past transactions with us.

We do not disclose any non-public personal information about our customers or former customers to anyone, except as permitted by law. We restrict access to non-public personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your non-public personal information.

Safety of Your Information

All critical information is transmitted in an encrypted state using Secure Sockets Layer (SSL).

It is important for you to protect your information by guarding your account password and your computer. Be sure to sign off when finished using a shared computer.

Cookies

"Cookies" are small identifiers that we transfer to your computer through your web browser to allow our system to manage your session when you are signed in to our site. Make Payday Today requires cookies to be turned on in your browser for proper operation. We do not use cookies for any sort of tracking activity beyond the scope of our normal web site operation.

Sources of Information:

Information about you is received from a variety of sources. Some of the information is provided by you after completion of the application. Other forms of information is obtained for us from outside sources. We only use this information as necessary to conduct the operation of

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our business. This information is safeguarded and used only by MakePaydayToday.com.

USA Patriot Act:

As per Federal Regulations to prevent the United States payment system from being used to launder money or to finance world wide terrorist acts, we are required to verify information establishing your identity.

The information we are required to ask for is: Your full name, current address, social security number and your date of birth, plus any additional information deemed necessary to verify your identity.

Correcting Information About You

If you believe that we have incorrect information pertaining to you, please contact us and we will correct it as quickly as possible.

Secure Environment:

All our operational data processing is held in a secure and safe environment that can not be accessed by third parties.

Disclosure of Account Information:

Our policy is to not reveal specific information about you to unaffiliated third parties for their independent use unless:

1. The information is used to complete a customer transaction.
2. You authorize it.
3. Information is provided to a reputable credit bureau or reporting agency.
4. The disclosure is required by law.
5. You have been informed about the disclosure for marketing purposes to a third party and are given the opportunity to "opt out" whenever required by law.

Customer Questions:

Please direct your questions using our contact information.

Use of Personal Information: We do not provide your email address to third parties sources. We will from time to time use your email address to provide you with information about our services, to provide you information about your loan, etc.

Special Notice:

MakePaydayToday.com's service does not constitute an offer or solicitation for loans in all states. Some states do not allow payday loans. This service may not be available in your particular state. The states this site services may change from time to time without notice.

All aspects and transactions on this site will be deemed to have taken place in the State of Nevada, regardless of where you may be viewing or accessing this site. All contracts and agreements are subject to the Law of the State of Nevada.

If you do not want to have this transaction take place in the State of Nevada, do not complete an application and request a loan.

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We understand that sometimes people need a little help

Our goal is to help people get the money they need in a fast and convenient way. Nobody beats our speed and service! When you need an affordable short-term payday loan, we want to make sure we're the ones you visit.

We're a small, family-owned business. Unlike many payday loan companies, we've been around since 2000, with stores in Lake Tahoe and Carson City, Nevada. There's only one way we've managed to be around so long, and that's by treating customers with respect and dignity.

Let us show you how fast and easy a loan can be. Click here to read about our quick and simple loan process.

We care about your safety

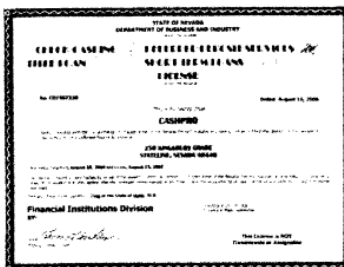
We realize that you are trusting us with the security of your financial information. We take this trust very seriously and employ only the best security technologies. You can read more about our privacy policies by clicking [here](#).

But don't take our word for it. We are licensed and regularly audited by the State of Nevada Department of Business and Industry. We are required to have high standards of data security and integrity.

Thank you very much for your business!

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Our State License



[Click here for larger version](#)

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We can help!

If you have additional questions that are not answered on our FAQ page or would like an answer to a question not listed, please do not hesitate to contact our friendly customer service staff using the following email address:

info@makepaydaytoday.com

If you have questions regarding your application, or the application process, or would like to talk to someone about your concerns you may contact us by the following methods:

Phone: (775) 588-3333
Fax: (775) 580-8511

Mailing Address:

MakePaydayToday.com
4306 S. Carson St.
Carson City, NV 89701

Easy Contact Form

Use this form and our customer service staff will contact you promptly.

Your Name:

Reply Email Address:

Message:

Decision and Order

DECISION AND ORDER

The Federal Trade Commission has conducted an investigation of certain acts and practices of the respondent named in the caption hereof, and the respondent having been furnished thereafter with a copy of a draft complaint which the Bureau of Consumer Protection proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge respondent with violation of the Truth in Lending Act and its implementing Regulation Z; and

The respondent and counsel for the Federal Trade Commission having thereafter executed an agreement containing a consent order, an admission by the respondent of all jurisdictional facts set forth in the aforesaid draft of complaint, a statement that the signing of said agreement is for settlement purposes only and does not constitute an admission by respondent that the law has been violated as alleged in the complaint, or that the facts as alleged in such complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission's Rules; and

The Commission having thereafter considered the matter and having determined that it had reason to believe that the respondent has violated the Truth in Lending Act and its implementing Regulation Z, and that complaint should issue stating its charges in that respect, and having thereupon accepted the executed consent agreement and placed such agreement on the public record for a period of thirty (30) days, and having duly considered the comment filed by an interested person, now in further conformity with the procedure prescribed in § 2.34 of its Rules, the Commission hereby issues its complaint, makes the following jurisdictional findings and enters the following order:

1. Respondent CashPro d/b/a MakePaydayToday.com is a sole proprietorship with its principal office or place of business at 4306 S. Carson St., Carson City, NV 89701.

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2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the respondent, and the proceeding is in the public interest.

ORDER

DEFINITIONS

For purposes of this order, the following definitions shall apply:

1. “Advertisement” shall mean a commercial message in any medium that promotes, directly or indirectly, a credit transaction.
2. “Consumer” means a cardholder or a natural person to whom consumer credit is offered or extended. The term also includes a natural person in whose principal dwelling a security interest is or will be retained or acquired, if that person’s ownership interest in the dwelling is or will be subject to a security interest.
3. “Consumer Credit” shall mean credit offered or extended to a consumer primarily for personal, family, or household purposes.
4. “Clearly and conspicuously” shall mean as follows:
 - A. In a print advertisement, the disclosure shall be in a type size, location, and in print that contrasts with the background against which it appears, sufficient for an ordinary consumer to notice, read and comprehend it.
 - B. In an electronic medium, the disclosure shall be:
 - (a) unavoidable;

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- (b) of a size and shade, and appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it;
 - (c) understandable language and syntax; and
 - (d) prior to the consumer incurring any financial obligation.
- C. In a television or video advertisement, the audio disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it. The video disclosure shall be of a size and shade, and appear on the screen for a duration, sufficient for an ordinary consumer to read and comprehend it, and shall be in understandable language and syntax.
- D. In a radio advertisement, the disclosure shall be delivered in a volume and cadence sufficient for an ordinary consumer to hear and comprehend it.

Nothing contrary to, inconsistent with, or in mitigation of the material terms shall be used in any advertisement or promotion.

5. “Respondent” unless otherwise specified, shall mean CashPro d/b/a/ MakePaydayToday.com, its successors and assigns and its officers, agents, representatives, and employees.

I.

IT IS ORDERED that respondent, directly or through any corporation, subsidiary, division, or other device, in connection with any advertisement to promote, directly or indirectly, any extension of consumer credit in or affecting commerce, shall not, in any manner, expressly or by implication:

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- A. State the amount or percentage of any downpayment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the terms required by Section 144 of the Truth in Lending Act (“TILA”), 15 U.S.C. §1664, as amended, and Section 226.24(c) of Regulation Z, 12 C.F.R. §226.24(c), as amended, as more fully set out in Section 226.24(c) of the Federal Reserve Board’s Official Staff Commentary to Regulation Z, 12 C.F.R. § 226.24(c), as amended, including, but not limited to:
1. The amount or percentage of the downpayment;
 2. The terms of repayment;
 3. The annual percentage rate, using that term or the abbreviation “APR.” If the annual percentage rate may be increased after the consummation of the credit transaction, that fact must also be disclosed.
- B. State a rate of finance charge without stating the rate as an “annual percentage rate” or the abbreviation “APR,” using that term, as required by Section 144 of the TILA, 15 U.S.C. § 1664, as amended, and Section 226.24(b) of Regulation Z, 12 C.F.R. § 226.24(b), as amended, as more fully set out in Section 226.24(b) of the Federal Reserve Board’s Official Staff Commentary to Regulation Z, 12 C.F.R. § 226.24(b), as amended.
- C. Fail to comply in any other respect with the TILA, 15 U.S.C. §§1601-1667, as amended, and Regulation Z, 12 C.F.R. §226, as amended.

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II.

IT IS FURTHER ORDERED that respondent shall, for five (5) years after the last date of dissemination of any representation covered by this order, maintain and upon request make available to the Federal Trade Commission for inspection and copying all records that will demonstrate compliance with the requirements of this order.

III.

IT IS FURTHER ORDERED that respondent, and its successors and assigns, for a period of five (5) years from the date of issuance of this order, shall deliver a copy of this order to all current and future principals, officers, directors, and managers, and to all current and future employees, agents, and representatives having responsibilities with respect to the subject matter of this order, and shall secure from each such person a signed and dated statement acknowledging receipt of the order. Respondent shall deliver this order to current personnel within thirty (30) days after the date of service of this order, and to future personnel within thirty (30) days after the person assumes such position or responsibilities.

IV.

IT IS FURTHER ORDERED that respondent, and its successors and assigns, for a period of five (5) years from the date of issuance of this order, shall notify the Commission at least thirty (30) days prior to any change in the corporation(s) that may affect compliance obligations arising under this order, including but not limited to a dissolution, assignment, sale, merger, or other action that would result in the emergence of a successor corporation; the creation or dissolution of a subsidiary, parent, or affiliate that engages in any acts or practices subject to this order; the proposed filing of a bankruptcy petition; or a change in the corporate name or address. *Provided, however,* that, with respect to any proposed change in the corporation about which respondent learns less than thirty (30) days prior to the date such action is to take place,

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respondent shall notify the Commission as soon as is practicable after obtaining such knowledge. All notices required by this Part shall be sent by certified mail to the Associate Director, Division of Enforcement, Bureau of Consumer Protection, Federal Trade Commission, Washington, D.C. 20580.

V.

IT IS FURTHER ORDERED that respondent, and its successors and assigns, shall, within sixty (60) days after the date of service of this order, and at such other times as the Federal Trade Commission may require, file with the Commission a report, in writing, setting forth in detail the manner and form in which they have complied with this order.

VI.

This order will terminate on June 3, 2028, or twenty (20) years from the most recent date that the United States or the Federal Trade Commission files a complaint (with or without an accompanying consent decree) in federal court alleging any violation of the order, whichever comes later; *provided, however*, that the filing of such a complaint will not affect the duration of:

- A. Any Part in this order that terminates in less than twenty (20) years;
- B. This order's application to any respondent that is not named as a defendant in such complaint; and
- C. This order if such complaint is filed after the order has terminated pursuant to this Part.

Provided, further, that if such complaint is dismissed or a federal court rules that the respondent did not violate any provision of the order, and the dismissal or ruling is either not appealed or upheld on appeal, then the order will terminate according to this Part as though

Analysis to Aid Public Comment

the complaint had never been filed, except that the order will not terminate between the date such complaint is filed and the later of the deadline for appealing such dismissal or ruling and the date such dismissal or ruling is upheld on appeal.

By the Commission.

**ANALYSIS OF CONSENT ORDER TO AID PUBLIC
COMMENT**

The Federal Trade Commission has accepted, subject to final approval, an agreement containing a consent order from CashPro d/b/a MakePaydayToday.com (“respondent”).

The proposed consent order has been placed on the public record for thirty (30) days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty (30) days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement or make final the agreement’s proposed order.

Respondent engaged in practices that violate Section 144 of the Truth in Lending Act (“TILA”), 15 U.S.C. § 1664, and Section 226.24(c) of its implementing Regulation Z, 12 C.F.R. § 226.24(c). Respondent disseminated payday loan advertisements on the Internet stating the number of payments or period of repayment, or the amount of a finance charge, as terms for obtaining a payday loan. These advertisements failed, however, to disclose the “annual percentage rate” or “APR” for these loans as required by TILA and its implementing Regulation Z.

Analysis to Aid Public Comment

TILA and Regulation Z require that advertisers, including payday loan advertisers, disclose APRs on their loans to assist consumers in comparison shopping. The respondent's failure to disclose the APR for its advertised payday loans undermined consumers' ability to compare these loans to those offered by other payday lenders. The respondent's failure to disclose the APR for its advertised payday loans also frustrated consumers' ability to compare these loans to alternative forms of credit. Through its law enforcement actions the Commission intends to promote compliance with the APR disclosure requirements of TILA and Regulation Z, thereby promoting comparison shopping relating to payday loans.

The proposed consent order contains provisions designed to prevent respondent from failing to make disclosures required by TILA and Regulation Z in the future.

Part I.A. of the proposed order prohibits respondent, in connection with any advertisement of consumer credit, from stating the amount or percentage of any down payment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the terms required by TILA and Regulation Z, including the amount or percentage of the down payment, the terms of repayment, and the annual percentage rate, using that term or the abbreviation "APR."

Part I.B. of the proposed order prohibits respondent from stating a rate of finance charge without stating the rate as an "annual percentage rate" or the abbreviation "APR."

Part I.C. of the proposed order prohibits respondent from failing to comply in any other respect with TILA or Regulation Z.

Part II of the proposed order contains a document retention requirement, the purpose of which is to ensure compliance with the proposed order. It requires that respondent maintain all records that will demonstrate compliance with the proposed order.

Analysis to Aid Public Comment

Part III of the proposed order requires respondent to distribute copies of the order to various principals, officers, directors, and managers, and all current and future employees, agents and representatives having responsibilities with respect to the subject matter of the order.

Part IV of the proposed order requires respondent to notify the Commission of any changes in its corporate structure that might affect compliance with the order.

Part V of the proposed order requires respondent to file with the Commission one or more reports detailing compliance with the order.

Part VI of the proposed order is a “sunset” provision, dictating the conditions under which the order will terminate twenty years from the date it is issued or twenty years after a complaint is filed in federal court, by either the United States or the FTC, alleging any violation of the order.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Complaint

IN THE MATTER OF

AMERICAN CASH MARKET, INC.CONSENT ORDER, ETC., IN REGARD TO ALLEGED VIOLATIONS
OF SEC. 144 OF THE TRUTH IN LENDING ACT*Docket C-4221; File No. 072 3210**Complaint, June 3, 2008 – Decision, June 3, 2008*

This consent order addresses payday loan advertisements disseminated by American Cash Market, Inc., that failed to disclose the annual percentage rate for these loans, undermining consumers' ability to compare them to loans offered by other payday lenders or to alternative forms of credit. The order prohibits the respondent, in connection with any advertisement of consumer credit, from stating the amount or percentage of any down payment, the number of payments or period of repayment, the amount of any payment, or the amount of any finance charge, without disclosing clearly and conspicuously all of the terms required by the Truth in Lending Act and its implementing Regulation Z, including the amount or percentage of the down payment, the terms of repayment, and the annual percentage rate. The order prohibits the respondent from stating a rate of finance charge without stating the rate as an annual percentage rate, and from failing to comply in any other respect with the Truth in Lending Act or Regulation Z. It requires that the respondent maintain all records that will demonstrate compliance with the order. The respondent must distribute copies of the order to various principals, officers, directors, and managers, and all current and future employees, agents and representatives having responsibilities with respect to the subject matter of the order. In addition, American Cash Market, Inc., is required to notify the Commission of any changes in its corporate structure that might affect compliance with the order and to file with the Commission one or more reports detailing compliance with the order.

Participants

For the Commission: *Beverly Childs, Thomas Pahl, Cara Petersen, Patti Poss, Peggy L. Twohig, and Quisaira Whitney.*

For the Respondent: *Not represented by counsel.*