



SCAM ALERT!

A Consumer Update from
Mat Heck, Jr.
Prosecuting Attorney



Dayton-Montgomery County Courts Building, P.O. Box 972, 301 W. Third St., Dayton, OH 45422 (937) 225-5757

AVOID SLIPPING FURTHER INTO DEBT: BEWARE OF ONLINE PAYDAY LENDERS

September 2012

Increasingly, cash-strapped families are turning to a new high-interest loan source which promises a loan quickly and easily: online payday lenders. Unlike payday loans that you get at a business, online payday lenders require you to give them your bank account number as part of the application. Giving out your bank account number is always dangerous. Once these lenders have your banking information, they can continue to charge you interest and fees well in excess of the amount of the original loan. Numerous complaints have been made to the Better Business Bureau against websites such as OneClickCash.com, 500Fastcash.com, rbtloans.com and Ameriloan.com in which all of the customer's payments went to pay off recurring finance charges and not to the principal amount borrowed. As a result, these customers ended up paying two to three times the borrowed amount in interest and still had the amount of the original loan left to pay! Many of these online lenders are not licensed by the state and are charging interest rates well over what is allowed by state law.

For those individuals or families who do need a short-term loan, the Montgomery County Prosecutor's Office recommends the following:

- Consider contacting your bank for a short-term personal loan or a line of credit
- Contact your creditors to see if they can arrange for payment options so that you do not need another loan. Some creditors may accept partial payment rather than have you default on the total amount you owe
- Look for red flags when considering an online lender, such as not disclosing their actual physical location or contact information
- Contact the Better Business Bureau if you have questions or concerns about a particular online payday lender

The above ALERT is part of the Montgomery County Prosecuting Attorney's initiative to help citizens become aware of ways they can avoid becoming a victim, or ways they can help stop criminal activity that may be occurring. Upon request, the office can provide presentations on crime prevention actions and activities to halt crime and increase the quality of life in our community.

If you would like additional information on the above ALERT, or would like additional information regarding our programs to assist consumers in general and/or seniors in particular, please contact Kimberly Oliver, Supervising Attorney, Adult Protection Unit, or Ward Barrentine, Supervising Attorney, Fraud and Economic Crimes Unit at 937-225-5757.

If you would like us to send *SCAM ALERT* updates to you electronically, please send your e-mail address to: newsletter@mcpo.com to be added to our distribution list.