



## **Payday and Title Loans**

### **What is a payday or title loan?**

- These are high interest loans subject to specific laws set forth under NRS 604A.

### **When should I obtain a payday or title loan?**

- Only obtain a payday or title loan in emergencies, when absolutely necessary.
- Do not use a payday or title loan for everyday needs.

### **The risks of obtaining a payday or title loan:**

- The borrower may end up in a cycle of debt, also known as a debt treadmill.
- Many borrowers cannot afford to repay the loan in full and find themselves getting a 2<sup>nd</sup> loan to pay off the 1<sup>st</sup> loan. This cycle can continue if the borrower cannot afford to repay the loan in full.
- If taking out a car title loan, the biggest risk is the lender can repossess the car if the borrower does not comply with the loan terms.