



Car Title Loans

A car title loan is a loan for a small amount of money and for a short time – usually 30 days. They can be very expensive. If you cannot pay back the lender, you might lose your car.

What should I do before I get a car title loan?

Before you get a car title loan, consider other choices:

- Can I get a loan from a bank or credit union?
- Can I get more time to pay my bills by talking with creditors or a credit counselor?
- Do I have any money saved that I can use?
- Can I borrow money from family or friends?
- Can I use a credit card instead?

How do I choose which way to borrow money?

Compare the costs, if you have more than one option. For each choice, find out:

- what is the APR?
- what are the fees?
- how soon must I repay the money?
- what happens if I cannot repay?

Write the answers to these questions. Decide which choice is best for you.

I decided to get a car title loan. What should I do?

- ask the lender to tell you how much it will cost in dollars
- ask the lender to tell you the APR
- borrow only what you can repay by the date the loan is due