

# Alternatives to Predatory Payday Loans Available in Michigan



In Michigan, lenders can charge vulnerable borrowers as much as 400% for short-term payday loans. Senate Bill 632 would institute a more reasonable 36% annual percentage rate (APR) cap on payday loans. Payday lenders will argue the bill will leave people without options to access cash on a short-term basis. However, there are many reasonable, lower-interest alternatives offered in Michigan to assist individuals in a time of need. Here are a few examples:



**Michigan's Employer Resource Network (ERN)** helps employers and financial institutions collaborate to offer small loans at low interest with terms up to one year. Borrowers build savings and receive financial education during that time. ERN operates in Muskegon, Ottawa, Oceana, Allegan, Branch, St. Joseph, Calhoun, Kalamazoo and Kent counties.



**0% INTEREST HOME REPAIR LOANS**

**Detroit 0% Interest Home Repair Loan Program** offers 10-year, interest-free loans from \$5,000 to \$25,000 to help Detroit homeowners invest in and repair their homes.



**Metro Community Development** in the Flint area offers collateral-free loans of \$1,000 to \$2,500 for 12-month terms at 6%.



**St. Vincent de Paul Society** offers micro-loans of up to \$750 at 3% interest

for up to 18 months throughout the ten-county Lansing Diocese. Financial education is included. Other St. Vincent de Paul societies around the state have similar programs or plan to offer them, such as in Kalamazoo, Oakland and western Wayne counties.



## Habitat for Humanity of Michigan

is offering a small dollar loan program through their subsidiary Fair Lending Services of up to \$1,500 with 24% APR to help people pay their mortgage.



**Bank of America** offers cash advances of up to \$500 for a flat \$5 fee under the program known as Balance Assist. Loans are repaid in three equal installments over 90 days.



## Fifth Third Bank

**Fifth Third Bank** offers payday advances of \$50 to \$1,000 for eligible checking account-holders in a program called MyAdvance. A 5% cash advance fee is assessed for each advance during the first 18 months after enrollment, and a 3% cash advance fee applies thereafter.



**Huntington Bank** offers a line of credit to eligible account-holders called Standby Cash. The line of credit is up to \$1,000 and is interest and fee-free if the customer enrolls in auto-pay.



**U.S. Bank** offers loans of up to \$1,000 with a flat \$6 fee for every \$100 borrowed. Loans are repaid in three equal installments over 3 months.

## Credit Unions

Many credit unions around the state offer small-dollar loans:

**One Detroit Credit Union** offers seasonal loans of \$500–\$4,000 for up to 12 months with rates as low as 8.99% APR.

**TRUE Community Credit Union** in Jackson offers loans to people who lose their job as well as education and budgeting tools.

**Health Advantage Credit Union** in Saginaw offers a payday loan alternative product of up to \$500 at 15.9% interest.

**Lake Trust Credit Union**, which has multiple locations across the state, offers Life Impact Loans which cover short-term expenses during emergency situations such as loss of a job or an unexpected illness. A member can take out a loan of up to \$4,000 at an APR of 13.25% with terms up to 24 months.

**Astera Credit Union** offers Snap Cash loans of \$500 to \$2,000 for a 12-month term at 24.99% APR. They have locations in Ionia and the Lansing area.

**Community Promise Credit Union** in Kalamazoo offers six month loans of up to \$700 with a \$20 administration fee and 6–18% APR.