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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Financial Literacy Tip of the Week

Looking for a Loan? Consider Opting for a Licensed Lender

Boise, Idaho... Many companies offering short-term consumer loans, including payday loans, over the Internet are not licensed to do business in Idaho. If you borrow money from an unlicensed payday lender, or other unlicensed lender who offers consumer loans over the Internet, please be aware that the Idaho Department of Finance may have limited ability to assist you with problems that arise regarding your loan transaction.

The Department has become aware of the difficulties Idahoans have experienced with unlicensed online lenders who have threatened borrowers in debt collection calls with arrest and lawsuits. Fraudulent online lenders have also piled on undisclosed and inflated loan fees and have continued to withdraw payments from consumers' accounts in excess of the loan debt. The Department warns Idahoans to be cautious about who they contract with for an online consumer loan.

Payday loans made in Idaho in violation of licensing requirements are void, uncollectable and unenforceable (Idaho Code 28-46-402(3)). However, not all consumer loans made over the internet are "payday loans." Before concluding that your loan is "void, uncollectable and unenforceable," you are encouraged to read the terms and conditions of the loan in question and consult with your own attorney.

It has also come to the attention of the Department of Finance that a number of lenders offering online payday and installment consumer loans in Idaho are subdivisions of, or affiliated with, federally-recognized Indian tribes. As a result, such lenders may not be subject to the jurisdiction of the Idaho Department of Finance. The Department is currently evaluating the law and the various tribes' positions to determine if tribal lenders are outside of Idaho's authority.

If you have borrowed money from an online payday lender and need assistance, please consider the following steps:

FILING A COMPLAINT AGAINST A PAYDAY LENDER

FEDERAL GOVERNMENT

To file a complaint against a tribal-run payday lender, please contact the Federal Trade Commission at 1-877-FTC HELP (382-4357), or online at www.ftc.gov, or contact the federal Consumer Financial Protection Bureau at www.consumerfinance.gov

STATE OF IDAHO

To file a complaint against a payday lender conducting business with Idaho consumers use the Department of Finance's online form at www.finance.idaho.gov/complaints or download a printable form. To speak with the Consumer Finance Bureau call (208) 332-8000 or toll free within Idaho at 1-888-346-3378.

FINDING A PAYDAY LENDER LICENSED IN IDAHO

The Department cautions against using the services of any payday or consumer installment lender not licensed by the State of Idaho. To find out which entities are licensed to make consumer loans in Idaho, go to the Department's website at www.finance.idaho.gov, or call (208) 332-8000, or toll free within Idaho at 1-888-346-3378, or email the Department at finance@finance.idaho.gov and the Department will verify whether the lender in question is licensed.

KNOW YOUR RIGHTS UNDER IDAHO'S PAYDAY LOAN ACT

The Idaho Payday Loan Act was updated on July 1, 2014, to include enhanced protections for Idaho borrowers. When shopping for a loan, a borrower should inform himself about relevant lending laws and consider alternative lending options and remedies under Idaho law. The Idaho Department of Finance publishes a brochure entitled "Payday Loans In Idaho" that is available online and in hard copy. To review the publication online visit the Department's homepage, and follow the link entitled "Education" and "Financial Literacy." To obtain a hard copy of the brochure contact the Department at (208) 332-8000 or toll free within Idaho at 1-888-346-3378.

A copy of this consumer advisory is available on the Department's website at www.finance.idaho.gov/consumer/education/consumer-lending-tips/. Department of Finance press releases can be found on the Internet at www.finance.idaho.gov or by contacting the Department at (208) 332-8000 or Idaho toll-free at 1-888-346-3378.