



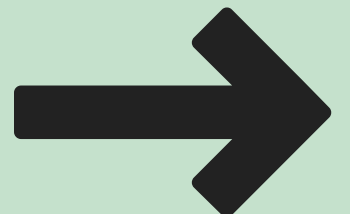
# Payday Lending in Alaska

It's time for reform.

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In Alaska, the average payday loan is for \$440 with a 421% annual percentage interest rate (APR).

The high cost of these short-term loans leaves many families trapped in a cycle of chronic debt & poverty.



# IN AN AVERAGE YEAR IN ALASKA:

**15,000**

Alaskans take out a  
payday loan

**\$440**

is the average  
payday loan  
amount

**5.4**

is the average # of  
loans each borrower  
takes out



*Did You  
Know?*

Over the last five years (2017-2022), payday lenders garnished over **\$3.7 million** from Alaskans' PFDs.

# FOR A \$440 LOAN...

It takes \$137 just to keep up with  
the first month's interest



It could cost more than

# \$1,200

to repay over 5 months



The interest rate on payday loans in Alaska ranges from

194%

to over

521%

APR



*In Context*

If credit card companies charged 400% APR, the average credit card debt in Alaska – an \$8,000 balance paid over 14 months – would cost nearly **\$37,000** to pay off.

# THE GOOD NEWS:

There's a simple fix.

Alaska law **already** sets a 36% APR limit on most other small dollar loans. Payday loans have a special exception from this limit, causing borrowers to pay upwards of 521% APR. We just need to **eliminate that exception & enforce a 36% APR limit on ALL small dollar loans, including payday loans.**

**HB 145 offers a common sense and time-tested solution that will protect Alaskans from extreme interest rates**

