

Name: \_\_\_\_\_

Date: \_\_\_\_\_

A **payday loan** is

They are different from all other types of loans we will talk about because:

### **Predatory Lending (John Oliver)**

1. What was the most surprising fact you heard? Why did you find it surprising?
  
  
  
  
  
  
  
  
  
  
2. How are these kinds of companies getting away with charging such high interest rates?

**Example** Hayley borrowed \$325.00 from a payday store, and 10 days later she paid back the loan and interest with a cheque for \$365.50.

- a) What was Hayley's daily interest rate?

b) What was Hayley's annual interest rate?

1. Anne borrowed \$250.00 from a payday loan store. She paid back the loan and interest 9 days later. Her annual rate of interest was 425%. How much interest did Anne pay?
2. Mike borrowed \$725.00 from a payday loan store and agreed to repay it in 15 days at a daily interest rate of 1.67%. How much in total did Mike repay the store?
3. Luke agreed to pay \$527.50 to a payday company that gave him a loan of \$485.00 at 1.10% per day. How many days did he have the money?