

The Grateful Loan.Org

Ending Predatory Lending, One Loan at a Time

Case Study

Tonia. H. is a nurse; her car was rear-ended on her way home from work and she retained a personal injury attorney. When Tonia's car was fixed, she did not have the \$500 needed to pay the insurance deductible and her use of a rental car was about to end. She asked her lawyer if she could borrow the money until she got her next paycheck; she referred Tonia to the Grateful Loan.Org.

We emailed Tonia and her attorney a contract within an hour of her call. She signed and returned the contract later that day and we immediately emailed her a check for \$500. Tonia used the money to pay the balance of the body shop bill. A week later, Tonia called and asked if she could repay the loan early. Tonia mailed a personal check in the amount of \$500 within our 30-day grace period. We deposited her check and when it cleared, we closed the contract – no charge.

Case Study

A car hit Deana M. while she was riding her bicycle. She broke several bones and was unable to work for a few weeks. When she went back to work, her hours were shortened. As a result of the missed work and fewer hours, Deana was temporarily short on cash. She contacted a pre-settlement funding company that advertises on TV and obtained the paperwork for a \$1,500 loan. Her attorney warned her that the terms of the loan meant that Deana would be paying, in essence, 100% interest on the loan. Deana asked if there was an alternative and he suggested Deana contact the Grateful Loan.Org.

Deana called us, explained her situation and authorized us to speak with her attorney. We contacted the paralegal who worked for Deana's attorney, obtained the accident report and a few other details, then prepared and emailed a contract to Deana and her attorney, all in the same day. The following table summarizes the terms of the loan contract we sent to Deana. (As with all of our contracts, there were no extra charges).

Terms of Deana's Loan

		Payoff amount	APF
If paid at	6 months from Contract Date	\$1,695.00	27.7%
If paid at	12 months from Contract Date	\$1,881.45	25.4%
If paid at	18 months from Contract Date	\$2,088.41	24.7%
If paid at	24 months from Contract Date	\$2,318.13	24.3%
If paid at	30 months from Contract Date	\$2,573.13	24.1%
If paid at	36 months from Contract Date	\$2,856.17	23.9%

We received the signed documents the next day and immediately emailed Deana a check for \$1,500 drawn on our account at a local bank. Deana didn't have a bank account and didn't have a way to print the check at home, so she printed the check at the library and cashed it at a branch of our bank (the bank charged her \$5 for cashing the check).