

Name _____

Date _____

Class _____

Instructor _____

STUDENT ACTIVITY

Chapter 8

Internet Extension

Swimming with Loan Sharks

EXPLORE



Loan companies abound online, but that doesn't mean easy money is simple to come by. Many of these companies advertise services that sound helpful, but in the end can prove just the opposite.

DIRECTIONS



Use the Internet to research companies that offer so-called payday loans. How do these types of loans work? How can they be helpful? Why can they be a bad idea for many borrowers?

Keywords: _____

Web Sites: _____

NET RESULTS



1. Name and URL of First Loan
Company

2. Name and URL of Second Loan
Company

STUDENT ACTIVITY *(continued)*

Chapter 8

CRITICAL THINKING QUESTIONS



1. What are the general requirements to qualify for a payday loan?

2. What are some of the interest rates on these types of loans?

3. Why do you think some states have banned payday loans?

EXTENSION EXERCISE



According to the Consumer Federation of America (CFA), there has been a rapid growth in the lending industry, which includes payday loan companies. Other businesses falling under this category include rent-to-own stores, high-cost second mortgage companies, and traditional pawnshops, among many others. How are these types of businesses similar to payday loan companies?