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**Extra Credit Union offers new quick loan to combat payday lending trap**  
**Loan provides extra cash, no credit check required**

WARREN, Mich. — They were able to pay the bills, but after Ann Eichhorn’s husband was laid off about a year ago, the Warren couple didn’t have much money left over for food, gas and other every day needs.

Eichhorn, 46, went to a local payday lender and took out a \$600 loan. Initially, the loan helped them get through the tough time, but the balance—with an additional \$100 in interest and fees—was due in two weeks. Come pay day, Eichhorn didn’t have the full amount to repay. So she had to take out another loan. And in two weeks, another. Paying on that continuous loan got her behind on other bills, too.

After about a year of this cycle, Extra Credit Union came to her rescue with its Extra Quick Loan. The loan uses a quick, short-form process, requires no credit check, has a **low 17.95 percent APR compared to the 435 percent APR Eichhorn was paying to the payday lender**, and gives borrowers six months to pay it off instead of two weeks.

“Extra Credit Union’s Extra Quick Loan was created to help members like Ann who just need a little extra cash to get by, who unfortunately get caught up in the payday lending trap and can’t get out,” said Deidra Williams, President/CEO of Extra Credit Union. “We can help people escape this cycle with this loan, as well as others who are looking for help paying a medical bill, planning a vacation or simply who want to go on a mini shopping spree—they can use it for whatever they would like. The process is easy and quick, and members walk out with the cash in hand.”

What Eichhorn felt after closing on the Extra Quick Loan was simple.

“Relief,” Eichhorn said. “I know I will finally now be able to get it paid off. It’s just a vicious cycle. The interest rate and what they charge is outrageous.”

Eichhorn says she is thankful an Extra Credit Union member services representative intervened and told her about the loan when she called from her payday lending location to see if her paycheck had cleared. During the call, the credit union representative had noticed a few red flags and educated Eichhorn about the new Extra Quick Loan that had just been launched.

She came into the credit union to close on the loan and was pleased at how friendly and helpful her lender was. And she said she especially likes the convenience of repaying the Extra Quick Loan.

“A lot of times on Fridays when my payday lending loan was due, I was tired after work and didn’t feel like going to pay on my loan. Then I’d have to go wait in line and take out another loan,” she said. “At Extra Credit Union, they set it up and take it right out of my check and it’s easy.”

Eichhorn has since referred her mother for an Extra Quick Loan, as well as a co-worker who also was caught up in the payday lending trap.

Glen Bevis, of Warren, has been a member at the credit union since 1972. He recently got an Extra Quick Loan for \$500. Like Eichhorn, he said after paying the bills, there wasn’t much left over in his paycheck.

“It helped me put some extra cash in my pocket,” he said. “If you needed money right away, you could get it right away.”

### **More on payday lenders**

- They’re called “payday lenders,” but the service they provide isn’t actually a loan, it’s called “Deferred Presentment of Personal Checks.”
- The average payday lending consumer is a homeowner, has a credit score above 630, and has some assets to their name.

According to the Center for Responsible Spending:

- Since its inception in the 1990s, the payday lending industry has established 22,000 locations which originate an estimated \$27 billion in annual loan volume.
- Repeated payday loans result in \$3.5 billion in fees each year.
- Twelve million Americans are trapped every year in a cycle of 400 percent interest payday loans.
- Customers who consistently have to take out another payday loan to pay off their existing loan every two weeks account for three-fourths of all payday loan volume.
- Loans to non-repeat borrowers account for just two percent of the payday loan volume.

### **More info:**

To apply for an Extra Quick Loan, members can call 586.276.3000 or apply online at [ExtraCreditUnion.org](http://ExtraCreditUnion.org).

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Founded in 1954, Extra Credit Union serves more than 19,000 members with some \$193 million in assets. The credit union operates two full-service branches, one in Warren and another in Sterling Heights. Extra Credit Union’s unique focus on education is an important part of its mission: to enhance the financial well-being of all members by providing quality, value, and convenience in the products and services. For more information on membership eligibility and school programs please call (586) 276-3000 or visit us online at [ExtraCreditUnion.org](http://ExtraCreditUnion.org).