

Why APR is the wrong way to measure the true cost of short term loans.

In Michigan, deferred presentment loans are limited to 14-31 days. APR is an annualized rate for longer terms loans that are paid back often times over many years, not a few weeks.

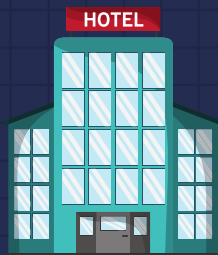
But opponents still point to the triple digit APR attached to deferred presentment loans as a reason to be ban these loans in the state.

Using this same logic, it would be like requiring the travel industry to list the yearly costs of renting a car or staying in a hotel instead of their daily rates.

A rental car isn't
\$14,600 per year.
It's **\$40** per day



A hotel room isn't
\$45,625 per year.
It's **\$125** a night



Even when comparing the APR to other costs consumers face, it is still a better option for them in many cases.

