

How Consumers Take Control of Borrowing Pitfalls



ORIGINATION FEES

Calculate the Total Cost of Borrowing First: Before borrowing, ask for a clear breakdown of all fees and interest in all scenarios including being late, paying over time and paying in lump sum. What may seem like a small loan can balloon into a significant debt burden when penalties and fees are factored in over time.



BORROW SMART, NOT DESPERATE

Avoid high-cost options like payday loans and subprime credit cards unless there is no other option. If you must use them, have a clear repayment plan that pays the full lump sum as fast as possible to minimize fees.



EXPLORE LOW-COST ALTERNATIVES

Look into community lending programs, earned wage access, or peer-to-peer lending options. While these still have costs, they're often more affordable than traditional options. The financial industry needs to embrace innovation and fintechs as they are the cheapest way to borrow.



ADVOCATE FOR CHANGE

Push for transparency in lending practices and technology-driven solutions that better suit your needs. Demand that lenders adopt metrics that reflect the true total cost and advocate for stronger consumer protection policies that address predatory fees. Advocate for solutions that restore the power and control to the borrower versus the lender.