

member|CONNECT

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AFENA HELPS MEMBER BREAK FREE FROM CYCLE OF PREDATORY DEBT, CREATE BUDGET



Actor portrayal

Candace didn't mean to get trapped in a predatory cycle of high-interest debt. But when the single mother of three young children got behind on her bills, she found herself in a hole that she couldn't get out of on her own. Her credit score was too low to

qualify for a loan from most traditional lenders, so she went online and found a payday lender that approved her for a personal loan.

"The financing charges were through the roof, but I felt like I had no other choice to get the money for the bills I needed to pay," Candace says. Ultimately, she took out two loans from different online loan companies, one for \$600 and one for \$1,000. "At the time I was thinking, 'Okay, I just need to get this bill paid so we have lights,' and the second time was, 'I need to get this rent paid so we have somewhere to live.' I had to prioritize paying my bills, and I thought, 'It's okay. I'll pay this off later.' But it got too overwhelming for me to maintain everything after getting those loans," she recalls.

Candace quickly found herself stuck in a cycle of crippling predatory debt. The money she borrowed had come from online payday lenders that prey on the desperation of low-credit borrowers like her. They offer small dollar loans at exorbitant interest rates to almost any borrower, as long as they authorize automatic payments to be withdrawn directly from their bank account each week on payday.

In Candace's case, she was paying 706% interest on her \$600 loan and 730.10% interest on her \$1,000 loan. Though she had only borrowed \$1,600 total, her payments were costing her \$265 a week (\$1,060 a month)! With so much being taken out of her weekly paycheck, she found herself continually struggling to get caught up and pay her monthly bills. Soon, just to make it from week to week, she started using payday apps that charge users \$15-\$20 in fees in exchange for partial paycheck advances.

It was all too much. "I was very very stressed out. I couldn't maintain my bills

and my loan payments without my kids having to suffer. For them to not be able to play sports because I couldn't afford it was not okay with me." Finally, Candace came to Afena for help. "I wanted to do a budgeting plan, and I thought, 'It's a bank. They know how to manage money, maybe they can help me set up a budget,'" she says.

Candace met with branch manager Kati Pogue, who helped consolidate her debt and even borrow a little extra so that she had a cushion for the future. Not only that, but Kati worked with her to set a budget. "Kati consolidated my debt, which I was grateful for, and she helped me set a budget and create a way to keep track of things. Now, I have different accounts set up so that each week some amount of money from my check just goes directly into those accounts to make sure I have enough to cover my bills each month. And, it's something I can stick to, because I still have a little money left for the month outside of my bills. So if the kids need something extra, I can get it," Candace says.

Of her experience with Afena, Candace is definitive; "They are more financially supportive than any other banking institution I've ever used. Kati was so understanding. She didn't look at me like, 'Oh my God why would you do that?'" She didn't judge me. Going into other places, people are looking at you like you did something wrong, like it's your fault, and they judge. They wouldn't offer the help that Afena's offered. Afena is like, it's okay, you can do this, and we're going to help you get through this and get back on track."

If you are stuck in a cycle of high-interest debt and you need help getting out, please stop by your nearest Afena branch today. Our friendly loan officers will work with you to figure out your options and help you get back on track.

	AMOUNT BORROWED	INTEREST RATE	MONTHLY PAYMENT	TOTAL OF PAYMENTS
1 e Payday Loan #1	\$600	706%	\$580	\$3,300
1 e Payday Loan #2	\$1,000	730.10%	\$480	\$1,818
Afena Debt Cons I Loan	\$4,400	1 .99%	\$407	\$4,884