
How a Car Title Loan Works



- You want to borrow \$1,000 for 30 days.
- The monthly fee is 25%. That is \$250.
- You give the lender your application and the title to your car.
- The lender keeps the title and gives you \$1,000 in cash.
- After one month, you give the lender \$1,250 in cash and you get your car title back.
- The bottom line: You paid \$250 to borrow \$1,000 for one month, and you risked losing your car.