
Payday Lending Video Transcript

Directions: Underline at least three phrases that talk about time. Think about how they help show the order of events.

John's truck broke down and he needed money quickly to get it fixed. He couldn't get a loan, and his credit card was maxed out. So John went to a payday lender.

To get his \$500 in cash, he had to give the lender a check for \$575: \$500 to repay the loan and \$75 for a fee. John didn't have the money in his account right then, but it didn't matter. The lender would hold the check for two weeks, until the loan was due.

But, after two weeks, John didn't have enough money to pay back the loan. So he paid the lender \$75 more to roll over his loan. That means he got 2 more weeks to repay the loan.

And, two weeks later, the same thing happened. John paid another \$75. That bought another two weeks to pay back the loan.

It took John 12 weeks – that's 3 months – to save enough money to repay the original \$500 loan. In the end, John paid \$1,025 when he only needed \$500. That was a really expensive loan.