

**UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION**

**COMMISSIONERS: William E. Kovacic, Chairman
Pamela Jones Harbour
Jon Leibowitz
J. Thomas Rosch**

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In the Matter of)	
)	DOCKET NO. C-4232
We Give Loans, Inc.,)	
a Delaware corporation)	
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COMPLAINT

The Federal Trade Commission, having reason to believe that We Give Loans, Inc., a Delaware corporation (“respondent”) has violated the provisions of the Truth in Lending Act, 15 U.S.C. §§ 1601-1667, as amended, and its implementing Regulation Z, 12 C.F.R. § 226, as amended, and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent We Give Loans, Inc., is a Delaware corporation with its principal office or place of business at 2300 Lincoln Avenue, Apt. 201, Cloquet, MN 55720. We Give Loans, Inc. does business primarily through the website WeGiveLoans.com, but also operates under various other websites including but not limited to 1200Today.com.
2. Respondent has disseminated advertisements to the public that promote extensions of closed-end credit in consumer credit transactions, as the terms “advertisement,” “credit,” “closed-end credit,” and “consumer credit” are defined in Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended.
3. Respondent advertises credit to consumers in the form of payday loans. Credit is defined as “the right to defer payment of debt or to incur debt and defer its payment.” Section 226.2 of Regulation Z, 12 C.F.R. § 226.2, as amended. Credit includes “a transaction in which a cash

advance is made to a consumer in exchange for the consumer's personal check, or in exchange for the consumer's authorization to debit the consumer's deposit account, and where the parties agree either that the check will not be cashed or deposited, or that the consumer's deposit account will not be debited, until a designated future date. This type of transaction is often referred to as a 'payday loan' or 'payday advance' or 'deferred-presentment loan.'" Comment 2 to Section 226.2(a)(14) of the Official Staff Commentary to Regulation Z; 12 C.F.R. Section 226.2(a)(14)-2, Supp.1, as amended. Payday loans have high rates and short repayment periods; they are often due on the borrower's next payday, usually about every two weeks.

4. Respondent has disseminated or has caused to be disseminated payday loan advertisements on the Internet, including but not necessarily limited to the attached Exhibits 1 and 2. Respondent collects information from consumers, called leads, through its online application, and then provides this information to lenders that ultimately offer payday loans to the consumers. Respondent is paid by the payday lenders for generating these consumer leads.

5. The WeGiveLoans.com advertisement attached as Exhibit 1 states that We Give Loans provides borrowers with the means to "shop and compare more than 100 pay day lenders side by side."

A. This advertisement states that a payday lender's fee is "typically \$10-\$25 per \$100 borrowed," and the lender will debit your account for the fees it is owed on a "pre-agreed date (usually your next pay date)."

B. The WeGiveLoans.com advertisement states that payday loan "fees are based on a per \$100 borrowed basis. The lowest fee in [We Give Loan's] network is just \$10 per \$100 borrowed. The average is \$15 per \$100."

C. This advertisement also provides an interactive "payday loan calculator" that provides the total amount of fees due depending on how many payments it takes to pay off the loan. For example, the calculator shows that a \$100 loan that has a \$20 fee when the loan is paid off in full in a single payment will increase to \$30 in fees when the loan is paid off over 2 payments, \$41 in fees when the loan is paid off over 3 payments, and \$50 in fees when the loan is paid off over 4 payments.

6. The 1200Today.com advertisement attached as Exhibit 2 states that "[y]ou may qualify for up to \$1,200 from a single lender" and that 1200Today.com will "match you with up to four different lenders."

A. This advertisement states that the "lowest fee available in [1200Today.com's] network of lenders is just \$10 per \$100 borrowed. The average is between \$10 and \$20 per \$100 borrowed."

B. The 1200Today.com advertisement also states that payments are typically due on your next pay date.

7. On a \$100 loan with a \$10 fee, repayable in a typical pay period of 14 days, the APR would be 260%. On a \$100 loan with a \$15 fee repayable in a typical pay period of 14 days, the APR would be 391%. A \$100 loan with a \$20 fee, repayable in a typical pay period of 14 days, would have an APR of 521%.

Failure to Disclose Information Required by TILA

8. In credit advertisements, including but not necessarily limited to Exhibits 1 and 2, respondent has stated the number of payments or period of repayment and/or the amount of any finance charge, as terms for obtaining consumer credit in the form of a payday loan.

9. These advertisements have failed to disclose the “annual percentage rate” or “APR” using that term as required by Regulation Z.

10. Respondent’s practices have violated Section 144 of the Truth in Lending Act (“TILA”), 15 U.S.C. § 1664, and Section 226.24(c) of Regulation Z, 12 C.F.R. § 226.24(c).

THEREFORE, the Federal Trade Commission this third day of September, 2008, has issued this complaint against respondent.

By the Commission.

Donald S. Clark
Secretary

SEAL: