

**UNITED STATES OF AMERICA  
BEFORE THE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**      **Edith Ramirez, Chairwoman**  
                                 **Julie Brill**  
                                 **Maureen K. Ohlhausen**  
                                 **Joshua D. Wright**  
                                 **Terrell McSweeney**

**In the Matter of**

**Finance Select, Inc.**  
**a Georgia corporation.**

**DOCKET NO. C-4528**

**COMPLAINT**

The Federal Trade Commission, having reason to believe that Finance Select, Inc., a Georgia corporation (“Respondent”), has violated the provisions of the Federal Trade Commission Act (“FTC Act”), and it appearing to the Commission that this proceeding is in the public interest, alleges:

1. Respondent Finance Select, Inc., is a Georgia corporation with its principal place of business at 432 Newnan Rd, Carrollton, GA, 30117. Respondent operates from five different locations in the state of Georgia and two locations in the state of Alabama.
2. Respondent offers loans secured by consumers’ free-and-clear car titles (“title loans”).
3. The acts and practices of Respondent alleged in this complaint have been in or affecting commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act.

### **Background on Car Title Loans**

4. Car title loans can be short term loans and are often advertised as 30 day loans. Title loans have high interest rates and short repayment periods, with payments due every month. In many instances, however, the loans are structured as longer-term, high cost installment loans with payments due over several months. The typical APR of a car title loan can be over 300%.
5. Each additional payment after the first month is termed a “renewal.” The average consumer does not repay the loan in 30 days, instead “renewing” the loan an average of eight times. Loan amounts differ but typically are \$1,000 and up to \$10,000. The lender takes possession of the consumer’s car title and charges a monthly fee, sometimes as much as 25% of the amount borrowed per month. For example, the amount of fees would be \$250 per month and after eight renewals, a consumer taking out the average loan amount of \$1,000 would pay approximately \$2,000 in fees.

### **Respondent’s Business Practices**

6. Respondent offers consumers car title loans, which are secured by the borrower’s free-and-clear car title. Respondent offers a 0% introductory interest rate, but the loans are “renewed” to a much higher interest rate after the first 30 days if the borrower does not repay the loan completely within those 30 days.
7. Since at least January 2012, Respondent has disseminated or caused to be disseminated advertisements promoting its title loans, including on the website [www.fastcashtitlepawn.com](http://www.fastcashtitlepawn.com), on its’ mobile website of the same address, and on web ads, with the following representations, copies of which are attached as Exhibits 1, 2, and 3:
  - a. The website advertisements, copies of which are attached as Exhibit 1, provide the following disclosures:

#### **TITLE LOANS**

**1<sup>st</sup> 30 Days 0%** NEW CUSTOMERS

#### **No Credit Check**

- b. On Respondent’s mobile website, copies of which are attached as Exhibit 2, the advertisement contains the following representation:

#### **TITLE LOANS**

**0% 1<sup>st</sup> 30 Days**

- c. The web ads appearing as a Google advertisement on the side webpages, copies of which are attached as Exhibit 3, provide the following disclosures:

0% Title Loans – Best Rate  
1<sup>st</sup> 30 days 0%, No Credit Ck,  
We Loan More, call now  
fastcashtitlepawn.net

0% Max Cash Title Loan  
1<sup>st</sup> 30 days 0%  
Lowest Rates, Call Now!  
fastcashtitlepawn.net

8. The advertisements, as shown in Paragraph 7, do not disclose: (1) that the advertised 0% offer does not apply unless the loan is completely repaid in 30 days, (2) that there will be a substantial finance charge if the loan is not completely repaid in 30 days and (3) the amount of this finance charge.
9. The advertisements, as shown in Paragraph 7, do not disclose that if the loan is not repaid *in full* in 30 days, the consumer would be required to pay the finance charge for the first 30 days in addition to any additional finance charges that incur on day 31 (for the second 30-day period).
10. Many of Respondent's borrowers do not repay their loans within the first 30 days, and thus many of its borrowers end up paying finance charges.

### **Count I**

#### **Failure to Disclose Terms of the Loan**

11. In numerous instances, including but not limited to, through the means described in Paragraphs 6 to 10, Respondent has represented, directly or indirectly, expressly or by implication, that it offers title loans to consumers with a 0% finance charge for a 30-day introductory period.
12. In instances in which Respondent has made the representation set forth in Paragraph 11, Respondent has failed to disclose, or failed to disclose adequately: (1) the existence and amount of the finance charge that consumers have to pay for the 30 day introductory period if certain terms and conditions are not met and (2) the existence and amount of the finance charge that consumers have to pay after the conclusion of the 30-day introductory period. These facts would be material to consumers in their decisions regarding Respondent's title loans.

13. Respondent's failure to disclose, or failure to disclose adequately, the material information described in Paragraph 12, in light of the representation set forth in Paragraph 11, is a deceptive act or practice.

14. The acts and practices of Respondent alleged in this complaint constitute deceptive acts or practices in or affecting commerce in violation of Section 5(a) of the FTC Act.

**THEREFORE**, the Federal Trade Commission this second day of June, 2015, has issued this complaint against Respondent.

By the Commission.

Donald S. Clark  
Secretary

SEAL: