

Loan Comparison



Mrs Rush

Dear Diary
I need to borrow
£300 to pay for a new
washing machine.

I've seen an advert
for easy loans in the
paper.

Mrs Wise

Dear Diary
I need to borrow
£300 to pay for a new
carpet.

I've seen an advert in
the **Credit Union**.



Week 1

I've borrowed £300 from Easy Peasy Loans*.
They were very nice and I can repay it at
£9.01 per week over 57 weeks.

I've borrowed £300 from the Credit Union.
They were very nice and I want to repay it at
£9 per week for 35 weeks and one week at
£4.32.

Week 10

I am not really missing the £9.01 per week I
think I'll repay it alright.

I am not really missing the £9 per week I
think I'll repay it alright.

Week 28

I'm just half way to paying it off.

I asked in the Credit Union and they tell me
I've only got 8 weeks left until I have paid it
off!

Week 37

Another 19 weeks to go! I'm still able to cope
with the repayments but it's dragging on too
long. I wish it was paid off!

The loan was paid off last week. I've decided
to keep paying £9 per week in the Credit
Union to build up my savings.

Week 56

Debt free at last.
The £9.01 was just about manageable but
now I think I need to borrow more money for
a carpet.

I've got more than £170 in my account!
I need a new washing machine. I may take
out another loan with them.

They charged me 189.2% APR* – That cost
me £213.01 in interest (£513.01 in total).
No wonder it took so long to repay.

They charged me 19.6% APR* – That only
cost me £19.32 in interest (£319.32 in total).
No wonder I paid it off so quickly.

*example interest rates in March 2009.

Credit unions can charge no more than 26.8% a year in interest on the remaining balance of the loan, or 2% a month.