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.