

**Cost Comparison Examples for a \$500 Loan
with No Required Traditional Credit Report**

	Virginia State Employee Loan	Line of Credit from Some High-Rate Lenders	Payday Loan from Some Payday Lenders
Loan Amount	\$500	\$500	\$500
Loan Term	6 Months	6 Months	14 days
Repayment	Direct debit each payday	Monthly	Lump Sum
Interest	\$40 (24.99% APR)	\$625 (360.00% APR)	\$7 (36.00% APR)
Fees	\$0	\$0	\$100 Origination Fee - 20% of loan amount \$5 Verification Fee - fixed amount
Total Cost	\$40	\$625	\$112
Annual Percentage Rate (APR) (based on Total Cost)	24.99%	360.00%	584.00%

The Annual Percentage Rate (APR) helps borrowers compare the total cost of a loan, including the interest and certain fees to obtain the loan.

On the Virginia State Employee Loan (VSELP), the only cost is daily interest. There are no fees. The loan is repaid over 6 months and interest is calculated on the loan balance at the end of each day. As the loan balance declines, the daily cost also declines. The sooner an employee pays off the VSELP loan, the less interest is paid. There is no prepayment penalty. Cost shown is approximate and total interest paid may vary based on the daily balance and the number of days between payments.