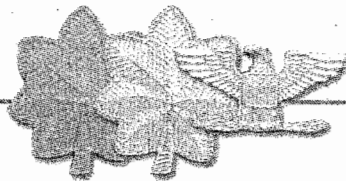


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## WASHINGTON

### Payday loans a readiness threat?

**WHAT'S UP:** Payday lenders give quick, short-term loans, regardless of someone's credit history, but they come at a price: an-

nual interest rates of more than 300 percent. Consumer groups long have expressed concern that young troops are unwisely getting hooked into these loans then spiraling into debt as they roll the loans over every two weeks, adding fees upon fees. Lenders insist they don't target military mem-

bers and say the loans are a needed financial alternative for many people.

**WHAT'S NEXT:** Military officials disagree. "It is not being dramatic to state payday loans to our troops could be a threat to our military readiness," Master Chief Petty Officer of the Navy

Terry Scott told lawmakers. "We do not need sailors distracted by the debt incurred from payday loans, nor can we ignore the security risks from sailors in debt who could be compromised." He has talked to many service members about this, most of whom take responsibility for their financial woes,

but "I point the finger as well at these payday lenders who promise quick, easy money at these unconscionable terms," he said. Navy efforts to educate sailors about the pitfalls of these loans are important, he said, but focusing congressional attention on the issue "is something I need to do."