

*How to reach us:*  
[www.nhla.org](http://www.nhla.org)

## Can car title lenders charge as much interest as they want?

For car title loans made on or before December 31, 2008, car title lenders can charge as much interest as they want. For car title loans made on or after January 1, 2009, car title lenders may not legally charge more than 36 percent annual percentage rate ("APR").

## Where else can I go for legal help?

**Lawyer Referral Service**  
**(603)229-0002**

## Lawline

(Available on the second Wednesday of each month from 6pm to 8pm.)

**1-800-868-1212**

**Claremont Branch Office**  
24 Opera House Square, Suite 206  
Claremont, NH 03743  
**1-800-562-3994 • (603) 542-8795**

**Concord Branch Office**  
117 North State Street  
Concord, NH 03301  
**1-800-921-1115 • (603)223-9750**

**Littleton Branch Office**  
271 Main Street  
Littleton, NH 03561  
**1-800-548-1886 • (603) 444-8000**

**Manchester Branch Office**  
1361 Elm Street, Suite 307  
Manchester, NH 03101  
**1-800-562-3174 • (603) 668-2900**

**Nashua Branch Office**  
21 East Pearl Street, Suite 2  
Nashua, NH 03060  
**1-800-517-0577 • (603) 598-3800**

**Portsmouth Branch Office**  
154 High Street  
Portsmouth, NH 03801  
**1-800-334-3135 • (603) 431-7411**

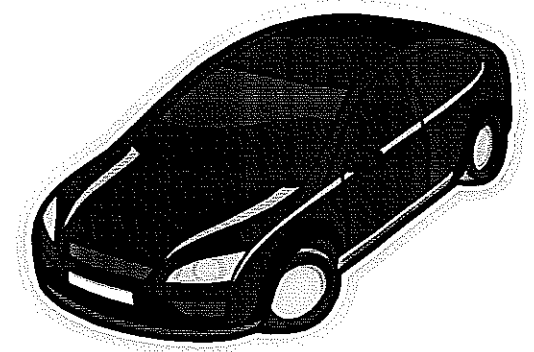
**Senior Citizens Law Project Advice Line**  
**1-888-353-9944 or (603) 624-6000**

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**TTY: 1-800-634-8989 • (603)206-2299**

*September 08*

# Car Title Loans Questions & Answers



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## **What's a car title loan?**

Car title loans are small loans that are “secured” by the title to your car. “Secured” means if you don’t pay your car title loan back, the lender can repossess your car and sell it.

Like payday loans, car title loans have very high interest rates. Many people have problems with car title loans because they are afraid of losing their cars.

**I have a car title loan. I make a payment every month to renew it, but the amount I owe hardly goes down at all. I don't want to lose my car. What should I do?**

Licensed car title lenders are allowed to repossess your car if you don’t pay back your loan. You should ask the lender to freeze the amount you owe (in other words, stop charging interest) and allow you to pay the loan back over several weeks or months. Tell the lender how much you borrowed and how much you’ve already paid when you ask for a repayment plan.

It is also very helpful to explain to the lender why you can’t afford to pay the loan back. If you don’t know how much you’ve paid, you should ask the lender for a copy of your file. If the lender won’t give your file, contact the N.H. Banking Department at (603) 271-3561.

## **My car was repossessed by a car title lender. Is there any way to get it back?**

After your car is repossessed, the car title lender must send you a notice of your “right to redeem,” which is your right to pay off the loan and get your car back. To get your car back, you usually have to pay back all of the money that you borrowed, plus any unpaid interest, plus the repossession fee (which may be over \$200). The notice will tell you how much and when you have to pay to get your car back.

If you don’t make the payment in time, the lender will sell your car at an auction. The lender has to follow certain rules for the auction. The sale price has to be “commercially reasonable,” but it doesn’t necessarily have to be as much as you could get if you tried to sell the car on the market.

You can negotiate a repayment plan with the lender after your car has been repossessed. Keep in mind that the lender will want to get back the money it spent on the repossession, so the amount you will have to pay will be higher than if you worked out a repayment plan before the car was repossessed.

## **My car was sold at auction. What happens now?**

The lender will get back all of the money you owe, plus the repossession fee. If there is any money left over, that money will be sent to you. This extra money is called a “surplus.”

Sometimes, a car will sell for less than the lender is owed. This is called a “deficiency,” meaning an amount you still owe. N.H. car title lenders usually do not try to get back any more money from borrowers after selling their cars.