

The Financial Fact Label helps consumers make healthy financial decisions

The amount and the number of payments for the loan are stated here

Loan payments are averaged to illustrate how monthly payments are allocated between principal, fees and interest

The monthly payment is broken down to demonstrate how much is paid towards the principal, loan fees, and interest

The annual percentage rate (APR) is the annualized total cost of the loan that includes interest and total fees

The interest rate used to calculate the loan payments

Financial Facts

Loan amount \$1,000
18 monthly payments

Average Amount Per Payment

Principal \$55 Fees & Interest \$7

% of Monthly Debt Budget *

Monthly Payment \$62 **14%**

Principal \$55
Loan Fees \$3
Interest \$4

APR 14% • Total Fees \$50
Interest Rate 8% • Total Interest \$68
Late Payment \$15 • Total Paid \$1,118

* Percent of Monthly Debt Budget value is based on the loan payment divided by the recommended consumer debt-to-income ratio of 15 percent, using a \$3,000 after-tax monthly income level. Debt budget will vary according to your income level.

Income levels:	\$2,000	\$3,000	\$4,000	\$5,000	\$6,000
Debt budget:	\$300	\$450	\$600	\$750	\$900

Numbers rounded to nearest dollar.

The “% of Monthly Debt Budget” metric informs the borrower of how loan payments will affect their debt budget and cash flow

Indicates the portion of the monthly debt budget used by loan payment

Total fees plus total interest equals the total cost of the loan

Total paid equals the total cost of the loan plus the principal

The debt-to-income ratio uses an after-tax monthly income of \$3,000 which is about 70% of the U.S. median monthly household income

The Financial Facts labels highlight important loan information in a clear, transparent, and easy to understand format so that borrowers can make healthy financial decisions. MAF introduces the “% of Monthly Debt Budget” metric to help borrowers quickly evaluate their ability to afford a loan by connecting income, debt, and cash flow into a single figure. Borrowers will be able to use the “% of Monthly Debt Budget” metric to compare across different types of loans and determine which is most affordable – and responsible for them to take. Consumers will be able to quickly review critical loan data, including APRs, interest rates, costs, etc. while also comparing how loan payments will affect their budget and cash flow.