



Differences Between the Regulated Loans at Hull Loan System and a Pawn

1) We charge MUCH lower interest rates. As a regulated lender under Minnesota state law, the interest we charge are those stipulated in the Regulated Lenders Act. They are 33% per YEAR on the first \$1125 lent and 19% on any amount above that. So it is a weighted average of those 2 rates and the effective rate obviously declines as the loan amount increases. It bottoms out at 21.75%. By comparison, a typical pawn is 1% per day or 30% per month. That equals 360% per year. So our highest rate of 33% per year is only about 1/12th of the 360% the pawn shops charge.

2) We give you much longer periods of time to pay back the loan. We make loans for up to 5 years in length. By comparison, a typical pawn is 3 or 4 months. And there is never any penalty for prepayment. You can pay off your loan whenever you can afford to and want to and you pay interest for only the exact number of days that you borrow the money.

3) We store your collateral more securely. At the time we make the loan, your diamond jewelry will be sealed in a coin envelope in your presence. You will sign across the seals and then we will tape on top of that. That way, when you return to redeem your collateral after paying off the loan, you will be able to see that it has not been tampered with. Then, we will store your collateral in our company's safe deposit box at the US Bank in downtown Minneapolis. Your diamond jewelry is actually safer with us than it is with you.

4) We almost always offer you more money. In 25 years, I have never had a customer who had previously been to a pawn shop say that they offered him or her more money. It is almost always that we offered more and occasionally about the same.

5) When you make a payment to us it reduces your debt. A portion of every payment made goes to reducing the principal balance due on the loan. So every payment you make reduces how much you owe us. That is not true with a pawn. In a pawn, the legal transaction is a sale to the shop of the item and the monthly payment gives you the right to repurchase the item at the end of the pawn period. It does not reduce how much you owe the pawn shop.

6) We are audited by the MN Department of Commerce to make sure we are not overcharging you and for compliance with the consumer protections of the Regulated Lenders Act. We pass those audits with flying colors. In its entire history, since its inception in 1939, the Hull Loan System has never been found to have overcharged a customer.

HullLoanSystem.com

Call us today at (612) 333-6726 to get started!