

Fast Cash, But What About the Down Side?

Contributed by Webmaster
Tuesday, 01 July 2008
Last Updated Tuesday, 01 July 2008

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The surge of institutions providing payday advances has risen greatly recently. Now they are a popular way for customers to gain cash for any situation with one quick application, even if they have a negative credit history. Cash advances can be sent to a customers bank account very quickly, making them a powerful solution when cash is needed in emergency situations.

Although payday loans are often very useful, they do have a downside. The rates of interest are high with payments of \$15 to \$30 per \$100 borrowed being common. When you think of this in terms of APR this is very high. The high rates of repayment can make it hard for people who are experiencing financial difficulty to pay off the debt. Because of this, payday advances are often criticized for preying on customers who are in financial crisis.

If a payday advances is not paid off on the required date, the applicant may have a fine and the interest rate could go up, making it even more tricky to pay off. This means that borrowers can easily end up in a debt trap. It is therefore important that customers are aware of this and have the money in place to pay off the debt.

There are clearly downsides to obtaining a payday advances but if they are so bad then why do people apply for them? They can actually be very possitive for people who need small amounts of cash in difficult situations. The rates of a payday advances are actually cheaper than getting into credit card overdraft fees. They can also be obtained very fast and even people with a negative credit history can get one.

The author operates a number of money related websites. For more information and advice on no fax payday loans or faxless payday loans as they are often called, visit the above links.

Financial Investing

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