

# HOPESOUTH

# PAYDAY LOANS AND CASH ADVANCES

Payday loans or cash advance loans are loans made for a short time, often two weeks. These loans can be very expensive.

## ***WHAT SHOULD I DO BEFORE I GET A PAYDAY LOAN OR A CASH ADVANCE LOAN?***

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Before you get one of these loans, consider other ways to borrow money:

- Can I get a loan from a bank or credit union?
- Can I get more time to pay my bills by talking with creditors or a credit counselor?
- Do I have any money saved that I can use?
- Can I borrow money from family or friends?
- Can I use a credit card instead?

## ***HOW DO I CHOOSE WHICH WAY TO BORROW MONEY?***

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If you have more than once choice, compare the costs. For each choice, find out:

- What is the Annual Percentage Rate (APR)?
- What are the fees?
- How soon must I repay the money?
- What happens if I cannot repay?
- Write the answers to these questions. Decide which choice is best for you.

## ***I DECIDED TO GET A PAYDAY LOAN. WHAT SHOULD I DO?***

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- Ask the lender to tell you how much it will cost in dollars.
- Ask the lender to tell you the Annual Percentage Rate (APR).
- Borrow only what you can pay back with your next paycheck.

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HopeSouth  
credit union