

**Managing Your Money**



**Credit, Loans and Debt**



**Scams and Identity Theft**



**Toolbox**

## Credit, Loans and Debt

[Your Credit History](#)

[Using Credit](#)

[Payday Loans and Cash Advances](#)

[Car Title Loans](#)

[Managing Debt](#)

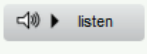
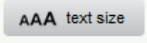


## Payday Loans and Cash Advances

What It Is

What To Know

What To Do



### What is a payday loan or cash advance loan?

A payday loan or a cash advance loan is a loan for a short time. You pay a fee to borrow the money, even if it is for a week or two.

A payday loan or cash advance loan can be very expensive. Before you get one of these loans, consider other ways to borrow.

### What are some other ways to borrow money?

You might be able to borrow money from:

- family or friends
- a bank or credit union
- your credit card

You might ask for more time to pay your bills. You can talk to a credit counselor to get help.

### What if I'm in the military?

If you are in the military, the law protects you and your dependents. The law limits the interest rate on payday loans. The law also tells lenders to give you information about your rights and the cost of the loan. The military also offers financial help and help managing your money.

Read [What to do – Service Members](#) to learn more.

Read more

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### How does a payday loan or cash advance loan work?

- You give the lender a check for the amount of money you want to borrow – plus a fee.
- The lender keeps your check and gives you cash – less the fee they charge.
- On your next payday, you have to pay the lender in cash. You owe the amount you borrowed plus the fee.

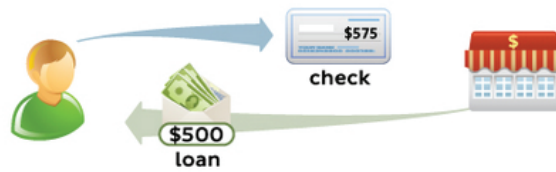
### How much do these loans cost?

A payday loan or cash advance loan can cost a lot. Even if you only borrow money for a week or two until you get your paycheck.

### For Example

#### How a Payday Loan Works

You borrow \$500  
The fee is \$75



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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?

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?

Compare the costs, if you have more than one choice. For each choice, find out:

- what is the 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