

Payday Cash Advance – Understand The Fees

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Sample of Content:

If you understand the fees for your payday advance loan, you can save yourself money when you need a cash advance.

Content:

Cash advance loan fees can be somewhat difficult to understand at first. First you will be given an APR rate for the year, but cash advance loan terms are only for 1 to 30 days. Then you have fees that are separate from the interest rates. All of it can seem confusing unless you understand the purpose of each figure and how to compare them.

The Purpose Of APR

The APR (annual percentage rate) includes interest and fees paid over a year for the loan amount. In an effort to educate consumers on the long term cost of such loans and to provide an easy way to compare lenders' fees, the APR is required to be posted by the US government.

This makes researching rates easy. Simply look for the lowest percent. If you can't find the rate on a lender's site, then request it before applying. If you still don't receive an answer, skip the lender since they appear to be a shady lender.

However, while an APR helps you compare cash advance companies, they don't tell you the real cost of the loan. Most consumers only take a cash advance until payday, usually less than 17 days. So to understand your loan's cost, you need to look at both rates and fees.

Cash Advance Fees And Interest Rates

Fees and interest rates are usually stated up front by cash advance companies. There might be an application or processing fee, just like with any typical loan.

To know the actual percent the fees will be, simply divide the total amount due on your next payday by the fee, which also includes interest. For example, the cost of a \$100 loan might be \$20 dollars. By dividing 20 by 100 (20/100) you get .20, which is 20%. A very different number than the APR.

Fees Out Of Hand

Fees can get out of hand if you don't pay back your cash advance on your next payday. In addition to your interest rate charges, you will also incur late fees. If you need money for a longer period, it is better to use a credit card or other form of credit.

To view our recommended Payday Cash Advance Companies Online, visit this page: [Recommended Payday Cash Advance Companies](#)

[Carrie Reeder is the owner of ABC Loan Guide](#), an informational website about various types of loans.

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