



# 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?

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 I do?

- ask the lender to tell you how much it will cost in dollars
- ask the lender to tell you the APR
- borrow only what you can pay back with your next paycheck