

Need extra \$500?

Contributed by Administrator
Sunday, 30 December 2007

Instant financial solutions are otherwise called as cash advance loans are one of the most sought after loans in America. In spite of the criticism that financial experts state about cash advance loans, they are quite popular among Americans. Cash advance loans can be availed round the clock using the online banking services.

All you have to do is to fill out an easy application form and then submit it online followed by which the processing of the application begins. Once they approve your loan, automatically you can get the required funds deposited in your account. All this takes place within 24 hours of applying for the cash advance loans. Cash advance loans requires to be repaid within 14 days after which the company takes the loan as well as the interest from your account on the next paycheck. The loan amount commonly availed by most of the Americans fall in the category of \$500 which comes with an interest rate of 650% APR. The banks get the money taken from your account through the Automatic Clearing House or ACH. A common complaint of the customers who take cash advance loans is that when they lack adequate funds for repayment, the banks adopt aggressive collection practices which involve threatening procedures. If your bank is lenient enough then you can go for a relaxation period or else you can choose the option of rolling over the loan which means that you can renew the loans with new interest rates but quite higher than the previous one. If you fail to repay it again, then you can flip it once more. A study states that most of the cash advance loans industry survives because of the repeated borrowers who unable to repay the loan, flip it again and again finally ending up with interest rates as high as 1000%. It is because of this, cash advance loans are called as predatory lending rather than payday lending. Further the defense department of the US accuses cash advance loans companies of targeting economically weakened military personnel and exploit them. Many of the states have their own usury laws to limit the interest rates imposed. But the cash advances companies manage to elope from them and practice such predatory practices. In fact Georgia and 12 other states have banned cash advance loans to avoid hassles. So consider your situation before availing cash advance loans.