

Paying Last Minute Bills

Contributed by Administrator
Sunday, 10 February 2008

You need to face bills on time despite you waiting your salary in a few days or otherwise. Cash advance loans are meant to fill in the time gap you have for your money to arrive. The idea behind cash advance loans is that you will have some money lent to you in advance against the assumption that you will repay the money when your salary arrives. The time period for repayment of cash advance loans is very small. The reason behind this being that the money is solely lent with expecting you to repay the money when your salary arrives. The lender does not lend you against any other option. There is a high risk that people will manipulate the arriving salary by using them for some other needs and skipping repayment of cash advance loans ; and this risk of lending is compensated by the 40% APR on the processing fee charged per \$100. Despite the high APR many people play around with these loans by not paying them on time and they normally land up risking some roll over. A single roll over is very costly with a \$20 plus or even more and the original principal one owes still remains. Frequent roll over means, that the borrower pays just the penalties for cash advance loans, with the principal remaining unpaid. For an average \$1000 salaried individual a \$40 per \$100 for 2 roll over is quite costly. If they have borrowed a \$300, then the default penalty alone would be \$60 with the principal loan still remaining to be paid! Cash advance loans despite being marked costly can be very useful when handled properly. They can be timely small money solutions for emerging bills and to avoid defaults and bad scores in credit reports. These loans can also be used to build lines of credit for those who are trying to apply for a new credit card. Reading the agreement in full and understanding the terms associated with cash advance loans is quite important. All the figures relating to the loan like the APR and processing fee and possible penalties should be clearly notified in the agreement. So cash advance loans are costly funding that can be extremely dangerous when not paid on time. Using these loans cautiously and judiciously is very important. Borrow just what you can repay on time. Else trouble is just a couple of weeks away.