

## What are Cash Advance Loans?

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Cash advance loans are types of loans which basically resembles paycheck loans although the term cash advance is referred to cash provided against a prearranged line of credit such as credit card. Credits cards are widely used by individuals today since it provides a facility to get money in case the money in pocket shorts out. Payday loans are also referred to as paycheck advance or cash advance but it somehow differs from cash advance loans since there is an arrangement of credit within cash advance.

Like a paycheck loan, cash advance loan is also a small, short-term loan that is intended to cover expenses of its user. It can also be considered as a consumer loan because it allows the customers to purchase goods and services. For an instance, a person can come to any Macy's Department Store and buy quality products at a high but reasonable price without bringing a large amount of bills and coins but by simply presenting a working credit card. Cash advance loans (which use credit cards) are loaned for variable amounts of money up to a put limit. It does not require a borrower to specify the purpose of the loan and the lender cannot shut out the loan. The use of credit cards carry fixed interest rates, that is, the rate does not vary over the term of the loan. Collateral is not required for cash advance loans but interest rates or other penalties may be charged, for an instance, the credit card is not paid in full. There will a charged interest or a fee for not paying fully or if the payment is late. Moreover, the use of credit cards in cash advance transactions classifies the owner as one who is entitled to credit when purchasing goods or services from a particular establishment. Credit cards may be issued in various companies, retails stores, chain stores, department stores, hotels, restaurants, airlines, rental agencies, etc. There are credits cards which are acknowledged in a specific store but mostly, they're general purpose cards, meaning, they can be use in wide variety of establishments. Establishments providing almost every form of product or service are honoring such cards, and it is predicted that credit cards might some day eliminate the need for carrying cash. But the customary problem involved in using credit cards is when it's fraudulently used when stolen or lost.