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Payday loans by Leah Perez

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At times it isn't easy making ends meet. Even if one has a job, things happen all the time that unexpectedly stretch one's finances. payday loans can offer a way out of such difficulties. A payday loan is a short term loan that covers the borrower's expenses until his next payday. Such loans are also known as cash advances; they provide short-term unsecured loans to persons who need, for one reason or another, to increase their cash flow. One typically has to be able to verify one's employment or income before taking out a payday loan, but some vendors omit this.

The advantages of payday loans are several. First, there is usually little administrative hassle in securing the cash. If one has a job, then one can get the money fast. Second, the terms of the loan agreement tend to be straightforward; it is therefore unnecessary to get professionals to interpret the text. Third, payday loan services are usually in convenient locations, making it much easier for potential borrowers to transact business.

Indeed, this last advantage has taken a great leap forward with the advent of online payday loans. Virtual media enables the potential borrower to do online what he or she traditionally did in person. The borrower completes the loan application; the loan is then transferred by direct deposit to the borrower's account, and the loan repayment and/or the finance charge is electronically withdrawn on the borrower's next payday.

In Australia, payday loans are quite common. The growth of the payday loan market mirrors that in the United States and the United Kingdom. This should be no surprise since payday regularity is as established here as it is in the U.S. and U.K. The security and transparency of most paycheck arrangements has had the knock-on effect of making payday loan services more available and affordable for workers in Australia.

The emergence of the payday loan market has brought it to the attention of regulatory authorities, who have taken measures to prevent unreasonable and excessive rates of interest. Some jurisdictions limit the annual percentage rate (APR) that any lender, including payday lenders, can charge. For example, New South Wales and Queensland have imposed a 48%-APR maximum loan rate, including fees and brokerage. Additionally, most fringe lending is now covered by the Uniform Consumer Credit Code (UCCC); however, some lenders still continue to use loopholes to avoid the UCCC, so those seeking payday loan services should understand clearly the terms and conditions of the loan.

Finding a payday loan vendor online is not that difficult. The crucial thing to a potential customer is to find the payday lender that is most suitable and to understand the terms upon which the money is being borrowed. One should look for a lender that is attentive, respectful, and efficient. Lenders should also present an agreement that is clear, simple, and direct. The process of payday lending ought not to be too much of an ordeal. However, it is still incumbent upon consumers to be mindful of the services they use.

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