

Can A Payday Loan Work For You?

It's far from uncommon for people to find themselves short of ready cash towards the end of the month. Unexpected expenses, unanticipated repair bills, a temporary dip in income, even a moment of weakness leading to excessive spending - all of these can conspire to mean that your money runs out completely some time before your next payday, leaving a cash gap that you need to negotiate somehow. Since time immemorial there have been facilities available to help people get through lean times, from traditional pawn shops and check cashing services right back to the biblical money lenders. Today's widely hyped solution to the month end cash crunch is the online payday loan, which is often touted as the perfect solution to the problem. But is this really the case? There's no doubt that, in their place, payday advances can provide a very useful service. They're quick to arrange, you'll get the cash in your account within a very short time of usually twenty four hours or so, and they're available to more or less anyone in employment, regardless of their credit rating. It's true enough that they're pretty expensive, with a flat fee of maybe 20% or so charged for each loan, but when you compare this to the costs of missing a credit card payment or going overdrawn at the bank without previous authorization, then this could well be a price worth paying. The other great benefit of payday loans is that they can usually be renewed quickly and easily should you need to once again bridge the payday gap. Once your initial application has been approved and your account set up, you can normally get a new loan almost instantly. This, however, is also the greatest drawback of the payday advance. It's all too easy to fall into a cycle of needing to take out a new loan just to bridge the cash gap that the charges for the previous loan have contributed to. If you're not careful, payday loans can become completely entrenched into your monthly budget, with no possibility of escaping their fees. This is obviously a situation you'd want to avoid, but if you have little prospect of being extended credit from another source, then it may unfortunately be almost unavoidable. So does this mean you should always shy away from taking out these loans? Not necessarily - as pointed out previously, they can provide a genuinely useful service in times of real financial emergency. If it comes to a choice between not eating for a week, for example, or not being able to afford to heat your home, then a payday loan is definitely a worthwhile consideration. However, what it shouldn't be is a bandage covering up a dysfunctional personal budget that relies on regular credit to keep it going from month to month. Before falling into the payday loan trap you should always try to get your underlying financial situation in order by cutting your spending or raising your income in some way, or you will probably find that too many payday loans just makes your situation much harder to deal with in the long term.

About the Author

Martin writes for UK Payday, who offer [no fax payday loans](#) to UK residents of a wide range of credit ratings.

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