

RODNEY C. BURRIS

- WORKING TOGETHER -

Smarter Money 101:

“Borrowing Money (Again): A simple cycle of not having enough”

BREAKING POOR HABITS



Borrowing Money (Again): A simple cycle of not having enough

We've all seen this play out.

Money is short...

...so (someone else's) money is borrowed...

...which has to be paid back from future money that's (hopefully) coming...

...(most of which is probably already accounted for)...

*...(and more than likely, it **already** isn't enough)...*

...so in order to pay it all (back), it's possible that...

...More money will (have to) be borrowed.



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Payday loans – also called “cash advance loans” – **appear to offer a way out** for many Americans.

The problem is by design they can just as easily present a never -ending spiraling trap for the borrower. Most people who take out payday loans have an ongoing shortage of cash and a constant need for more income.

The most obvious problem with payday loans is their extremely high interest rates, which can be many times more than the rates for almost any other type of loan. A secondary problem is that they seem to have a knack for targeting *already at-risk* segments of the population. For example, according to a one reputable source, **“those who haven't completed a four-year college education are more likely to take out payday loans.** Renters are more than twice more likely to use payday loans than homeowners. Folks that make less than 40K do it the most.” To add to this, what even feels more intrusive is that many payday lenders recoup their payments by directly taking it out of the accessing the borrower’s account. They do this of course with permission from the borrower, who agreed to it at signup when their need was highest.

Another financial outlet describes it like this: “On the loan’s due date, the lender then automatically debits the amount you owe, plus whatever fees or interest are included. If you don’t have the money in your account, you have the option to roll it into another term, along with another set of fees. “

Perhaps, with a closer look and a little budgeting, it may turn out that you don’t need to take out any type of loans, at all.

Let’s become more financially fit by *changing* how we *cycle* our cashflow:

You may have to do a little research to answer some of these questions

Let’s explore payday loans:

What are the names of payday loan facility(s) in your neighborhood/online

How much are they each willing to lend?

What are the fees each request for their service?

How many days until you have to pay them back?

How much is your take home pay?

Am I already dealing with financial issues?

Do I really need this money right now?

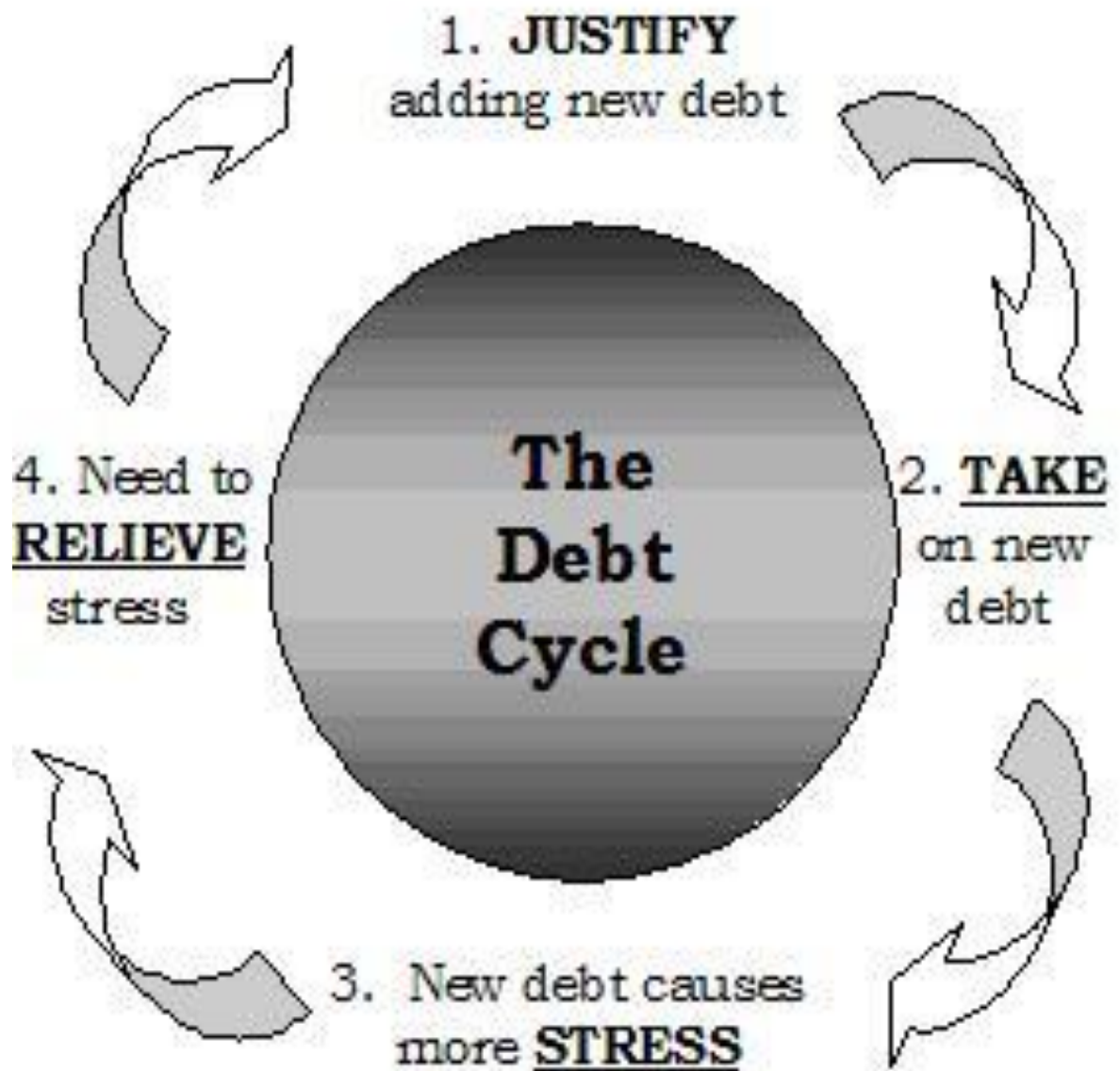
Are there cheaper alternatives I haven't thought of?

Will I be able to pay the loan back on time?

What should I do if I am unable to pay my cash advance on time?

Do they check credit score? Is there any other ways your credit will be impacted?

Can you change your mind and give back the money, if you no longer feel comfortable? If so, how long of a window do you have before you have to pay it back?



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