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## Get Financially Fit in 2013!



If you're stuck in the payday lending cycle OR are fearful you may have to resort to a payday lender, WE CAN HELP! However, the sooner you talk with us, the more options we may have for you. Call or email us today.

*Remember at Quaker Oats Credit Union we can give you advice on building credit so you can get low interest rate loans.*

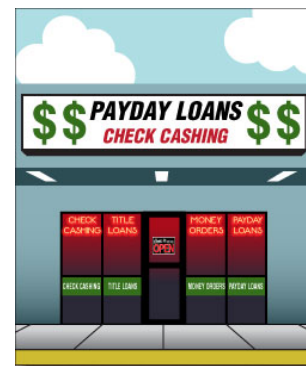


Check out our new series on ways you and your family can get financially fit in 2013. Watch for monthly emails that include tips that will help you improve your financial well-being in 2013.

### Tip #3- The Truth About Pay Day Loans!

#### What are Payday Loans?

Payday loans are small loans you can use when you are temporarily out of money. Payday loans are typically short term loans (two weeks or so) for a few hundred dollars.



To get a payday loan, you usually write a check for the amount you are borrowing plus a fee. You leave the check with the lender, and they cash it once you are ready to repay. If you can't repay your payday loan when it comes due, you can "roll it over" so that the loan is extended. You don't have to repay it, but fees keep accumulating.

In general, payday loans are extremely expensive. You end up paying an annual percentage rate (APR) that may be several hundred percent. For example, you might pay a \$20 fee to borrow \$100.00 for two weeks. The Consumer Federation of America has some shocking [calculations](#) comparing payday loans to the alternatives.

## Pay Day Loans Will Cause You More Trouble Than They Are Worth...

If you have ever lived paycheck-to-paycheck, you may have had to resort to a payday lender. As you may have found out, once you jump on the payday loan treadmill it's hard to get off with all of the high interest rates and fees.

You can get yourself in trouble if things get out of hand. Checks may bounce that you write to the payday lender which may end up on your ChexSystems file. As a result banks and retailers may be unwilling to work with you. The lender may also send your account to collections, which will show up on your credit report and hurt your credit score. If you don't break the cycle of payday loans you may end up paying far more in interest and fees than you ever borrowed in the first place.

## You Have Other Options...

Members can now find alternatives to payday loans right within their credit union for times when you are short on cash and need money fast. Instead of paying outrageous interest rates to payday lenders you now have other low-cost options you can talk to the [QOCU lending staff](#) about.

### Just to name a few...

- Get a [signature loan](#) (or unsecured loan)
- Open a [QOCU MasterCard Credit Card](#) for emergency use
- [Contact us](#) about a loan re-payment plan (loan extension) if you have a financial hardship

Source: What You Need to Know Now About Payday Loans  
By Justin Pritchard, About.com Guide

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