

financial hazards

you've got
choices.
use them
wisely!



responsible choices

Choices and hazards

In today's complex world, our financial choices are not always obvious. The financial hazards we face are not always obvious, either. We created this booklet to help you understand the hazards associated with the costly punitive fees that are like land mines in America's financial landscape these days. We hope this information can help you make financial choices that are in your own best interest.

The payday advance choice

Payday advance loans provide hard-working people with a reasonable option for meeting unexpected or unbudgeted expenses and other short-term financial needs.

The truth is that not everyone has a generous relative who just loves to loan money to family members on short notice. And not everyone wants to endure a credit check or pledge their personal possessions as collateral to a pawnbroker. As many millions of Americans know from personal experience, a payday advance can be a good choice for obtaining emergency cash at a reasonable cost.

Responsible lending, responsible borrowing

While we know that there are many very good reasons for getting a payday advance, there are also some not-so-good reasons. For example, Cash Plus does not support the use of payday loans for frivolous purposes, such as gambling.

Avoiding financial hazards

It may surprise you that a payday loan can sometimes save you money and help preserve your credit rating. Curious? Read on.

meet some punitive fees

Punitive fees are a choice

Punitive fees are the nasty extra charges you have to pay for bouncing a check, being late on a credit card payment or being late in paying just about anything. Punitive fees have been on the rise for years, but in many cases they are avoidable. You have choices, and one of those choices is a payday advance. Here's some food for thought on the matter.

Meet some expensive fees

BOUNCED CHECK FEES – Research shows that fees charged for bounced checks just keep getting higher. Plus, many banks now use “tiered” fee structures, meaning that if you bounce more than one check over a certain period of time, the fee for, say, your second or third bounced check can be more costly than the first fee. And, some banks will charge these increased punitive fees for all subsequent bounced checks over a year's time. Ouch!

But there's more! The cost of a bounced check is even more expensive when the merchant also hits you with a bounced check fee...and most do. Double ouch!!

Even worse, the way your bank chooses to pay the checks you write (biggest ones first, for example) can sometimes trigger a whole cascade of bounced checks, each with its own punitive fee. Studies show that the effective Annual Percentage Rate (APR) of a single bounced check can be as high as 1,300%. Triple ouch!!!

If that's not hazardous enough, did you know that bouncing checks is a *crime* in some states?

OVERDRAFT PROTECTION FEES – If you think that having overdraft protection attached to your checking account protects you from fees, think again. Many banks charge very hefty fees for using this service.

more punitive fees & tips

LATE PAYMENT FEES — Late payment fees come in all shapes and sizes, each with its own hazards to your financial health. Late fees on **credit card payments** can work out to an APR of up to 700%. Plus, frequent late payments can also result in damage to your credit rating and increasing the interest rate you'll have to pay for credit in the future.

Utility bills such as electricity, telephone, etc., are another hazard when late payments result in service disconnections. This can trigger very expensive service reconnection fees and security deposits.

If you're a homeowner, being late with a **mortgage payment** can trigger both late charges and bad marks on your credit rating that can make future mortgages more costly.

The bottom line is that fees like the ones we've described above can hurt...and keep on hurting. And if current trends continue, we'll see more fees and they'll cost more, too.

Five tips for avoiding punitive fees

The good news is that the kinds of punitive fees we've been talking about can usually be avoided. Here's how:

1. Use a calendar to track when all your bills are due
2. Know exactly what punitive fees are triggered by late payments
3. Keep careful track of checking account balances to avoid bouncing checks
4. Pay for purchases with cash
5. Build up a savings account that you can tap into for emergencies.

more punitive fees & tips

The savings feature of our Cash Plus Prepaid MasterCard® lets you build up a reserve for emergencies. You'll earn interest, and no bank account is required!



When is a payday advance a good choice?

Most Americans understand that a payday advance can be a good choice when facing a short-term financial emergency like an unanticipated auto repair or medical expense. Is it a good financial choice in other situations, too?

When faced with the possibility of expensive fees for late payments or bounced checks, a payday advance may be a better alternative. The comparison table below shows how the cost of a payday advance compares with typical punitive fees.

Do this kind of comparison when you're faced with the possibility of punitive fees. It's simple math that can help you make responsible financial choices. •

FEE COMPARISONS

EXPENSE ITEM	FEE
\$100 Payday Advance	\$15
\$100 Overdraft Protection	\$27
Credit Card Late Fee on \$100 Bill	\$37
Late/Disconnect Fee on Utility Bill	\$46
\$100 Bounced Check (Bank & Merchant)	\$54

see us for...

check cashing
payday advances
wire transfers
money orders
debit cards
...and more!



Customer Notice: Payday advances should be used for short-term financial needs only, not as a long-term financial solution. Customers with credit difficulties should seek credit counseling.

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