

**JUST THE FACTS:  
HELPING YOU TALK ABOUT MONEY**

# Payday Loans

Interest rates on payday loans are relatively high – often around 30 per cent.

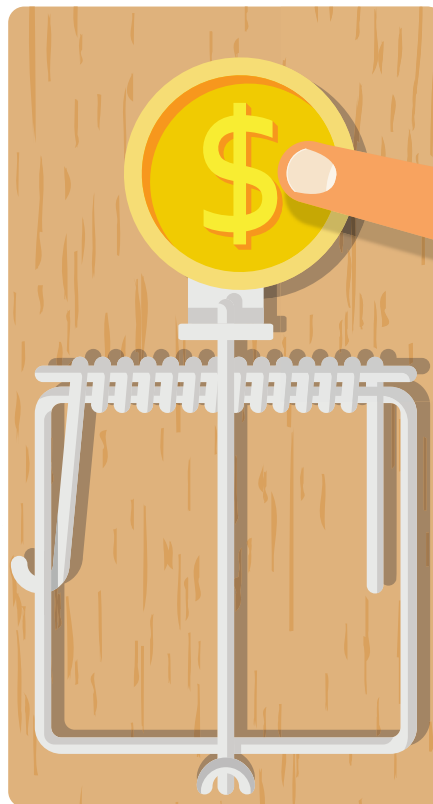
Intended to be very short-term, a “payday” loan is meant to provide you with urgent cash to tide you over until your next paycheque – when you should be able to pay it back in full.

Because of the high interest rates, financial experts consider payday loans to be very risky.

- If they aren't paid back in full the interest adds up quickly, sometimes to more than the original loan.
- This can lead to a “vicious cycle” – needing a loan to pay back the loan.

Advertising for payday loans can be misleading.

- It is always advisable to read the terms and conditions very carefully.
- Other options should be considered if money is needed urgently – such as banks and other reputable financial institutions, or even family and friends.



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