

Online Loans Cheat Sheet

Today, we have unparalleled convenience when it comes to taking out a loan. We no longer need to climb into our vehicles and drive to the nearest payday loan store. Instead, we can simply apply for a loan online.

With convenience however should come caution. Yes, it is easy to procure fast funding when you need it now. But it is also all too easy to fall prey to a predatory lender.



This cheat sheet will help you to make wise financial decisions when taking out online loans. That way you get the money you need without the hassle of exorbitant interest and fees.

What Types of Loans Can You Apply For Online?

Whether you just need a couple hundred dollars to cover a quick car repair or you require a few thousand dollars for a larger expense, you should be able to find what you need online.

Here are some of the types of loans you can apply for on the internet:

- **Payday loans:** This type of loan is also known as a “cash advance.” Online payday loans are like their offline counterparts. They typically range from \$50-\$1,000, and carry short terms and high interest (\$15 of interest for every \$100 loaned is typical).
- **Car title loans:** With this type of online loan, your car title serves as collateral, making it easy to qualify. The loan may range as high as your vehicle’s value.
- **Personal loans:** Personal loans allow you to take out larger amounts than payday loans and pay them back over a longer time period.
- **Bad credit loans:** These loans are aimed specifically at consumers who may have sub-par credit scores.

Note that sometimes the names of different types of loans may be used interchangeably, and that certain categories may overlap. For example, a payday loan may sometimes simply be called an “online loan,” or even a “small personal loan,” and it may double as a bad credit loan.

More important than the name of a loan is an understanding of the amount you are borrowing, the loan term, and the interest and fees.

So long as they fit with your budget, you should be able to meet your financial goals.

Tip: Always borrow the smallest amount of money you can at the lowest interest rate you can find. If you take out more than you need, you will end up paying more than is necessary.

Repaying an Online Loan

Now you know how to take out a loan online. But how do you pay it back?



1. Select a repayment option.
The choices available to you will depend on your location, but the most common method is usually ACH.

2. Provide the information needed to set up the payment(s).

3. Make your payment.
This should be automatic on the due date, if you set up an ACH transfer in advance.



Tip: Always do your best to repay an online loan in full and on time. You may be able to get an extension to repay your loan over a longer time period, but this can tack on exorbitant interest and fees.

Picking a Safe Online Lender

Finally, here are a few quick tips to help you stay safe when applying for loans online:

- Browse the sites you visit and read their content. Stick with sites that advocate fair lending and borrowing practices.
- Before taking out a loan, do a background check on the lender. Make sure that the company is licensed in your state.
- Look up reviews for online lending services.
- Avoid websites with obvious red flags (lack of transparency, pushy sales reps, etc.).
- Stick with lenders that require a soft credit check and income verification. Only take out a loan you can afford.

You now are familiar with the basics of online loans: types of loans available, how to apply, how to repay, and how to stay safe. Apply at a trusted website, and you could have the money you need within 24 hours. Good luck!