

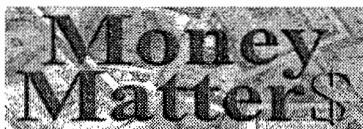
# Cash advances are not all they appear

By Capt. David Faggard

314th Airlift Wing Public Affairs

What do your wallet, the U.S. Senate, the State of Arkansas, DOD and base officials here have in common – the knowledge that Airmen visit pay day loan establishments and lose money daily.

Pay day loans, or a short-term cash advance on your paycheck, is used for “emergencies,” touted one online pay-day loan website. But, pay day loans are a common problem with the men and women in the Department of



Defense and pay-day lending costs American families billions of dollars per year, according to a written statement by U.S. Senator Charles Schumer (D, New York).

“Airmen are at risk when it comes to pay day lenders for two reasons: first, because they are probably in some sort of financial trouble to begin with; and second, because they don’t understand the Air

Force has programs to help them get money if needed, like using their chain of command, going to finance or the Air Force Aid Society,” said Lt. Col. Dan Hicks, 314th Mission Support Group deputy commander.

Although pay day loans in the State of Arkansas are legal, Airmen should think twice before using them.

Arkansas pay-day loan establishments, by law, can charge 20% interest and a \$10 fee for \$100 every two weeks,” said Mrs. Peggy Mat-

son, director of the Arkansas State Board of Collections Agencies.

That means, as reported in the 2004 study, Pay Day Lenders in Arkansas, “when calculated as an interest rate, pay day lenders charging \$15-\$20 per \$100 loans for 14 days equates to a 390%-520% annual percentage rate.”

Getting money and spending it shouldn’t be hard, but using it the right way is tricky and if you need help, the Air Force has classes and professional advisors for assis-

tance, according to Lt. Col. Hicks.

“Spending takes discipline. Too often, Airmen will use pay day loans for purchases they don’t need or can’t yet afford,” Lt. Col. Hicks said. “Instead, Airmen should develop a budget and stick to that budget to purchase items they want.”

For financial assistance, call Family Support Center at 987-6801 or Air Force Aid Society at 1-800-769-8951.