

Your Money

Considerations For Cash

(NAPSA)—Life changes can happen at any time. From car repairs to medical bills and tuition payments, these changes can upset the delicate financial balance that many consumers need to maintain.

What options are available to consumers to cope with these changes?

Credit Cards—When using a credit card for a cash advance, consumers are often faced with high interest rates of more than 20 percent. Also, depending on the balance, making just the minimum payments each month can extend the life and total amount of debt.

401(k) Savings Accounts—Taking money from this fund may not be the best choice to address financial needs. In addition to reporting this money as taxable income, withdrawals from a 401(k) may be subject to extra taxes of 10 percent.

Payday Loans—A short-term, unsecured loan providing cash advances based on employment records, payday loans can be extremely costly. With annual percentage rates frequently approaching 400 percent, other options should be considered.

Personal Bank Loans—Many consumers turn to personal bank loans to get the money they need to cover major expenses. However, it's important to weigh the immediate need for cash against the interest and debt that must be repaid over time.

Peer-to-Peer Lending—Although boasting lower interest rates than traditional banks, peer-to-peer lending can pose a risk to borrowers. Borrowers often do not know who their actual lender is, as these arrangements are usually set up by a third party. Therefore, borrowers may find their loan



When extra cash is needed to respond to life emergencies, selling all or a portion of structured settlement payments for a tax-free lump sum can be a sensible choice.

falling through at a time when they need the money most.

Structured Settlement Payment Sales—Personal injury lawsuits, malpractice claims and other payouts can be distributed in structured settlements. These payments are divided over several years and structured to provide a steady stream of income based on each consumer's individual situation. When extra cash is needed to respond to life emergencies, selling all or a portion of these settlement payments in exchange for a tax-free lump sum can be a sensible choice.

This transaction provides consumers with the money they need now, is not contingent on the consumer's credit, and creates no future obligation to pay anything back. This can give consumers the ability to obtain the funds they need without accumulating debt. In addition to state and federal laws, a judge approves each and every structured settlement sale to third-party buyers.

J.G. Wentworth is an industry leader in purchasing structured settlement payments. To learn more, visit www.jgwentworth.com or call (866) 429-9050.