

Over The Phone Loans

The world is a closed space, and the features of a cell phone best describe that. It follows that with a cell phone, every corner of the world can be connected without having to strain yourself. Over time, lending companies in Canada have come to recognize the impact of a cell phone in making transactions seamless. They have leveraged that to bestow hope to the financially weak members of society.

Also known as Mobile loans, Over-the-phone loans are entirely virtual and do not require the borrower to sign documents or negotiate terms physically. So, you could wake up in the middle of the night, apply for a loan through a particular company's website or app, and by early morning, your requested funds are ready for use.

Mobile loans owe true to their name because you don't have to be at a particular place to apply them. On top of that, the lenders - including banks - have mobile apps with customer-friendly interfaces to aid the application process.

What Is A Mobile Loan

Mobile loans are short and long-term loans that can be accessed through cell phones. All it takes for a borrower to place a request is to have an internet-enabled phone, through which the lender's official websites and apps can be accessed without hassles.

Mobile loans are no different from online loans; their differences only lie in the media of applications as only a mobile phone is required for processing loans. After a request is placed, the lender sends a contract agreement to the borrower to agree to, after which the money is deposited into a bank account for the borrower's use.

Are Mobile Loans Different From Faxless Loans?

Mobile loans are so-called because of the medium through which they are accessed, in which case, is through an internet-enabled mobile phone. However, faxless loans are loan products that do not require the transmission of documents before a lender approves them.

Which Loan Products Can Be Accessed Over The Phone?

Payday Loans

This loan is quite expensive because of the interest it attracts. It involves the borrowing of a sizable sum of a borrower's paycheck from lenders with the pledge that the money - plus interest and fees - will be paid in a lump sum on the next payday, making a mobile loan an unsecured loan. And as opposed to bank regulations, the lending companies pay little to no attention to the borrower's credit score. However, such loans come with hefty interest as some

companies can charge as high as \$25 for every \$100 borrowed. Moreover, payday credit schemes are tightly regulated in Canada because of their potential to consign borrowers to a dangerous debt cycle.

Personal Loans

Even traditional lenders like banks offer these loans, which can be accessed through the bank's mobile app. Personal loans attract a relatively low interest compared to payday loans since repayment isn't as immediate as payday loans, and they are somewhat secured. However, a good credit score is of utmost importance for such a loan by a bank. If in luck, some lending companies can overlook credit scores and grant personal loans, but with high-interest rates.

Installment Loans

This loan is perhaps the most considerate loan product that can be acquired through the phone. With installment loans, the interest rate is usually not a burden on a borrower since such loans are spread over several months, with a weekly, semi-weekly, monthly, and semi-monthly repayment frequency. Credit scores are also not a prerequisite to obtaining such loans, and they are not tightly regulated in Canada like payday loans.

Business Loans

Needing funds to cover short-term business costs and the bank is turning a deaf ear to your request, worry less because such loans are available on official websites of some lending companies. These loans are no different from personal loans, and credit scores can be overlooked before they are granted. The companies that offer these products are accessible through mobile phones, and only the borrower's ability to pay back is considered.

Which Mobile Loan Products Are Best For Me?

The best loan depends on your earning power and the lender's discretion, but in terms of interest rates, installment loans are the best. However, with a good credit score and paycheck, personal loans are highly recommended because of the safety attached to transacting with banks. Payday loans only provide a short-term financial respite to a borrower, but the long-term impact on a budget can be damaging enough.

Benefits Of Over-The-Phone Loans

Easy Access

Our phones are our everyday company, and anything that can be accessed through them is easy and convenient.

Variety of loan products

"All fingers are not equal," so they say, and this saying resonates well with the financial abilities of Canadians. Depending on the income scale you belong to, credit products that suit you abound on the internet and can be accessed via mobile phones.

Seamless Cash Deposit

Approved over-the-phone loans are deposited directly into the borrower's bank account, granting complete dominion over the usage of the funds.

What Should I Look Out For When Applying For Mobile Loans?

Foolproof Technology

Nobody likes to divulge information to undeserving parties, and a lending company's website or app needs to guarantee discreet customers' data.

Interest Rates

It's a greedy world, we all know. But it is pertinent to prevent a further slide into poverty than play into the hands of highly ambitious lending companies. So, compare rates before subscribing to a particular loan product.

Website Or Application Interface/tools

Some websites provide loan calculators for you to project repayment ahead of the due date. The calculator helps the borrower to request as much as they can pay. Moreover, a good website interface provides as much clarity as a user's guide manual. So, you'd want to be sure of the information you are providing.

Conclusion

Over-the-phone loans are loan products that can be accessed via a cell phone. The products range from installment, payday, business, and personal loans. The terms of the agreement in each loan differ and Partly depend on the area of operation of the lending company. All it takes for a customer to subscribe to over-the-phone loans is an internet connection to the appropriate website or mobile app. If approved, the funds would be transferred directly into the borrower's bank account.