

## Title:

Direct Deposit Cash Advances For Recipients Of Social Security

## Word Count:

717

## Summary:

Nearly 20 percent of Social Security recipients depend solely on their payments to meet their monthly needs and more than half rely primarily on them to make ends meet each month. The Old Age, Survivors, and Disability Insurance Program, administered by the U. S. Social Security Administration, provides to millions of elderly, widowed, and disabled American citizens their only regular source of income. The program, created under the Social Security Act of 1935, is a social in...

## Keywords:

## Article Body:

Nearly 20 percent of Social Security recipients depend solely on their payments to meet their monthly needs and more than half rely primarily on them to make ends meet each month. The Old Age, Survivors, and Disability Insurance Program, administered by the U. S. Social Security Administration, provides to millions of elderly, widowed, and disabled American citizens their only regular source of income. The program, created under the Social Security Act of 1935, is a social insurance safety net funded through a dedicated payroll tax paid equally by employers and employees during their entire working lives.

Social Security paid out almost \$500 billion in benefits in 2004. The U.S. Social Security program is the largest and most successful government program in the world, and the most durable.

Since 1975, recipients of Social Security payments have been able to enroll in the Direct Deposit of Federal Recurring Payments Program in which they designate a financial institution to receive an electronic deposit on their behalf rather than a paper check through the mail. They were the first group of recipients of Federal benefits to be able to participate in this program and, from inception, they have accepted it readily as a way to receive their funds quickly, safely, and conveniently. As a bonus to all taxpayers, the Federal government saves \$9 million each month because direct deposit is less expensive than the paper check system that preceded it. After 24 years of Direct Deposit Program availability,

80 percent of recipients elected to use it rather than receive checks in the mail. In 2000, Direct Deposit became mandatory for new recipients and checks are now issued only in certain circumstances. The Direct Deposit Program is also available to recipients of Supplemental Security Income payments administered by Social Security and other Federal payments programs such as Veterans Disability, Railroad Retirement, Miner's Benefits, and military and civilian agency pensions.

A recipient of a Federal program enrolls in Direct Deposit when their eligibility for payments is established by completing a form. In the case of Social Security, this is a Form 1199. With this form, the individual designates their financial institution by name, address, and routing transit number (the financial institution's ID number within the banking system), and provides their own account number. The designated financial institution may be a commercial bank, mutual savings bank, savings & loan association, industrial bank, or credit union chartered by either the Federal or a state government. The account that is designated as the repository of funds may be either a checking or savings account with the recipient named as either the sole or a joint owner. Some recipients may not have bank accounts. In such circumstances, they may open an Electronic Transfer Account (ETA). This is a Federal government-insured account at a financial institution that is able to receive Direct Deposits payments.

Just as Direct Deposit is a safe, reliable, and secure way to receive recurring benefits payments, it is also the best way to receive cash advances associated with those payment, and for the same reasons. Should you need cash prior to the your next social security payment, a direct deposit cash advance is a loan against your next payment that is deposited to the same bank account in which you receive your Federal payment. You won't have to worrying about lost, stolen, or misplaced checks or cash. The type of personal loan involved is also called a payday loan, and there are many reputable lenders that offer the direct deposit of loan proceeds via web sites on the Internet. They consider your participation in a Federal recurring payments program as the most important factor in approving your loan application. They do not perform credit checks on applicants. Typically, all a cash advance lender will need to approve the loan is information from a recent Social Security statement that shows what amount you receive each month. Other information about the borrower is also needed as is the relevant information regarding the borrower's bank.

If you are in need of cash and want to use your Social Security payments as the basis for a small, short-term advance of \$1,000, consider seeking out an Internet-based direct deposit loan company. You will find the process easy and fast and you will have your extra money for those unplanned circumstances that

arise from time to time.