

How PayPal.com Works

PayPal allows you to securely send money to any email user in the U.S. After signing up, you simply enter the recipient's email address and a dollar amount. The money is charged to your credit card, and sent to the recipient. The transaction takes seconds to complete.

There's no problem if the recipient is not yet a PayPal user. He or she simply registers at PayPal after receiving an email notification, and is immediately credited with the amount in the new account. You may use a credit card, bank account or check to fund your account. Funds may be withdrawn at any time by direct deposit to a bank account or a personal check from PayPal. Users may also opt to send the money on to others.

A Real-World Example

Let's take a real-world example. Andy owes Betty \$50. Andy has a credit card. He decides to pay Betty using PayPal. Here's how each step of the transaction would work:

ACTION	INFORMATION ENTERED
1. Andy logs on to PayPal.com and registers.	Andy's name Andy's street address Andy's email
2. Andy sends \$50 to Betty by registering his credit card and entering Betty's email address and the amount (\$50).	Andy's credit card information Betty's email Transaction amount
3. Andy's credit card is charged \$50 and a new account in Betty's name is created and credited with the \$50.	
4. Betty receives an email notification ("You've got cash!") and clicks on a link which takes her to her new account.	
5. Betty registers with PayPal.	Betty's name Betty's street address Betty's email
6. Betty can withdraw her money by direct deposit to her bank account or by personal check from PayPal. Betty also has the option of sending the money on to others.	Betty's bank account (if withdrawing by direct deposit)

