



HOW TO MAKE A BORROWING DECISION

If you've determined you need to borrow money, take the following factors into consideration, and answer these questions to help make your choice.

 DEBT TYPE	 COST OF BORROWING	 TERMS OF BORROWING	 THE EFFECT ON MY CREDIT
<p>The reason you need the cash will guide what type of loan you should get:</p> <ul style="list-style-type: none">• What do I need this money for?• Is it a large, once-off amount or for smaller, more frequent amounts?• Do I need a credit card or a loan?• Is it secured or unsecured lending?	<p>Determine how much it will cost you to access this money:</p> <ul style="list-style-type: none">• What is the interest rate I will be charged?• How will it impact my monthly budget?• Can I afford this extra expense?• Are there any additional fees?• What are they, and are they negotiable?	<p>Understand what you're in for and what's expected of you:</p> <ul style="list-style-type: none">• When are my payments due?• Over what time period will I be paying this amount?• Is there a grace period?• What are the penalties or restrictions?	<p>Borrowing money can help or hurt your credit score:</p> <ul style="list-style-type: none">• What is my creditworthiness?• Can I get pre-approved?• How will it affect my credit score if my application is rejected?