

## Criteria For Finding a Cheap Personal Loan

It is getting more difficult all the time to compare one personal loan program against another since it seems like everybody uses a different criteria, different financial terms for describing the same thing, and fine print that would cause a librarian to squint. But the fact remains that every now and then, people need a quick personal loan and need to understand how to compare apples to apples when looking for their best deal. One obviously wants to keep as much money in one's own pocket instead of adding to the cost of that rented money. First of all, there are several things that become so confusing as to hardly make sense to try to figure them out, or based on today's very competitive financial market, they just don't make sense to factor into your evaluations. My first recommendation would be to steer clear of secured loans. The advantage of a secured loan is that you may get a slightly lower interest rate because if you default on the loan, the lender has something they can come and take away from you, such as your car or your home or whatever you put up for collateral. This is not worth it. If something happens and you default on the loan, you could find yourself without a roof over your head or without a car to drive. Of course you don't plan to default on the loan but things can happen which are out of your control, like a job layoff, huge medical expenses, and other things that you have no control over and cannot forecast. Unless your credit is so bad that you cannot qualify anywhere for an unsecured loan, you are recommended to stay away from secured loans. Secondly, you of course want to look at the interest rate being assessed on your personal loan, but don't become consumed with it. The interest rate could be simple interest, could be compounded interest and could be something else altogether. Unfortunately, there is not a common yardstick that all lenders use that means the same thing so you can accurately compare one personal loan quote against another. A more accurate representation of exactly how the loan company is manipulating the interest rate is the amount of money you will have paid them at the end of the loan term if you make all your payments on time and make the minimum payment each month. For example, with one personal loan quote on a \$5000 loan, you may find that you will have paid back \$6500 at the end of the loan, whereas on another personal loan quote you find that you will have paid back \$7200 at the end of the loan term. Regardless of what they quote the interest rate as being, these end of loan figures are the ones that are important. Make sure there are no prepayment penalties. If you get a windfall of cash, you may want to pay off this loan or make extra payments on it. Make sure there is not a penalty for doing this. Lastly, don't ignore an online personal loan quote. Lenders offering an online personal loan can frequently be much more aggressive with rates and terms. Evaluate these on the same basis as used to evaluate the others, but you are likely not going to find the best personal loan if you don't at least evaluate what these can provide for you.

## About the Author

For more insights and additional information about a Cheap Personal Loans as well as getting a free no-obligation online personal loan quote, please visit our web site at <http://www.personalloantips.com>

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