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Loan With No Collateral - Things Beginners Should Know

To answer this question, it is a good idea to look at your credit rating. If it is above the average, then there is little point elaborating on the issue, as he or she can apply for an unsecured personal loan with any of Canada's top-five banks and chartered lenders and will stand a fairly high chance of approval.

There are some ways to get a [small business loan](#) without collateral as well, and some Canadian lenders might agree to give you an unsecured personal loan, even if your credit score is not perfect.

Once you have established why you need a loan and that you are not willing to offer collateral, be it a real estate property or part of your company's assets, here are the steps to follow to apply for the loan.

Similar to other [unsecured loans](#), the success of your application will depend on your company's corporate credit score. If it is not perfect, try to increase it so that it is above the average. It is a good idea to obtain a copy of your company's credit report and carefully check it for negative marks, errors, and inconsistencies, which have to be corrected.

Next, you should shop around for lenders that have specialized in giving out unsecured loans. You can contact Canada's Business Development Centre (bdc-canada.com) for further assistance.

You have probably heard of peer-to-peer traffic of information, allowing people to share the movies and music they have on their computers with individuals from across the globe. Similar to that, you will find people-to-people lending, whereby wealthy individuals are willing to lend considerable sums in the form of unsecured loans. This is an option worth exploring.

If you need a personal loan and don't want to offer a collateral, you have several options. One option is to turn to a wealthy family member or friend and ask for a loan. Second, you can apply for a credit card, but it is unwise to use it for major purchases as the interest may be quite high.

As to the unsecured personal loans available in Canada, there are many lenders working with customers with poor credit rating. There are two things that should be taken into consideration. You will have to pay a large amount in interest and fees because the lender takes more risk when dealing with persons with a compromised credit score. Second, the lender will agree to lend a small amount at first (in the range of \$1,000 to \$2,000) and offer a larger loan once the first one has been paid in full. The first loan has to be repaid on time or your application for a second loan may be rejected. Needless to say, you must make sure that the unsecured lender you have chosen is legitimate, as the internet is full of loan sharks disguised as providers of unsecured personal loans.

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