



# Personal Lending 101

A Newcomer's Guide to Borrowing and  
Building Credit in Canada

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TD Bank



# Agenda

1. Introduction to Borrowing and Credit Building
2. Understanding Loans and Lines of Credits
3. How to Borrow for your different needs
4. Borrowing Considerations
5. Arriving in Canada and Building Credit History
6. Q&A





**Amelia Kwok**

Senior Manager, Personal Lending



**Gui Gaspari**

Product Owner, Personal Lending

# Borrowing 101

## What is borrowing?

Personal lending solutions outside of a credit card.



### **Borrow based on specific needs**

Borrowing needs vary depending on your life stage, time in Canada and financial goals.



### **Loans and Lines of credit are common borrowing solutions**

Both should be considered when looking into your financial situation and borrowing need.

## How does it help credit building?

Shows how you manage your finances.



### **Establish a credit history**

Responsible use of loans and lines of credit may yield better credit rating than no history at all.

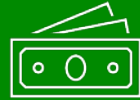


### **Future borrowing considerations**

Loans and lines of credit can be used for borrowing needs to further build credit history when considering larger borrowings in the future

# Loans vs Lines of Credit

## What is a loan?



A specific amount of money in one lump sum.



### **Ideal for single transactions**

Major purchases, home renovations or manage debt.



### **Payments plus interest gets repaid over an agreed upon length of time**

Choice of fixed or variable interest rate and various payment frequencies.

## What is a line of credit?



Ongoing access to funds that you can use and re-use as needed.



### **Flexibility to borrow for a variety of needs**

No need to reapply every time.



### **Interest charged only on the borrowed amount**

Flexibility to pay as little as the minimum amount set out in your monthly statement and agreement

# Borrow for your needs

Loans and lines of credit may be powerful tools for addressing various financial needs and challenges.



Unexpected Expenses



Large Purchases

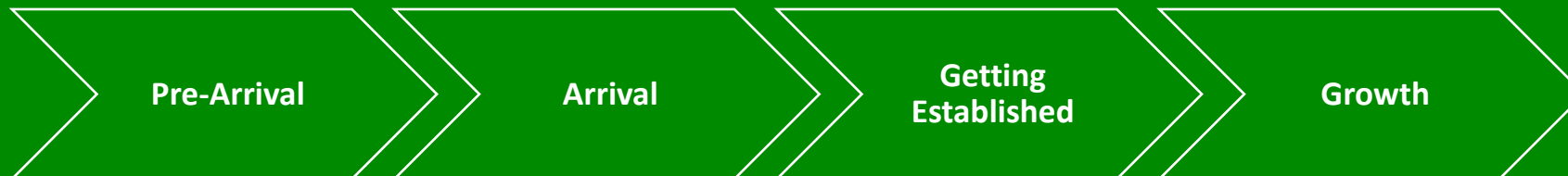


Manage Debt



Invest in Future

- Borrowing needs may change as you enter the various stages in your financial journey.



- Knowing your options and seeking advice from financial specialists may help you make more informed borrowing decisions.

# Borrowing Considerations

## Review your budget

Consider your financial situation to ensure you can manage the repayments.



### Develop good debt behavior

Consider your income, expenses, and any existing debt before borrowing more.



### Improve your credit rating

Using and repaying debt on time may benefit you and improve your credit rating in the long run.

## Good Debt vs Bad Debt

Understand the difference and make it work in your favor.



### Good debt

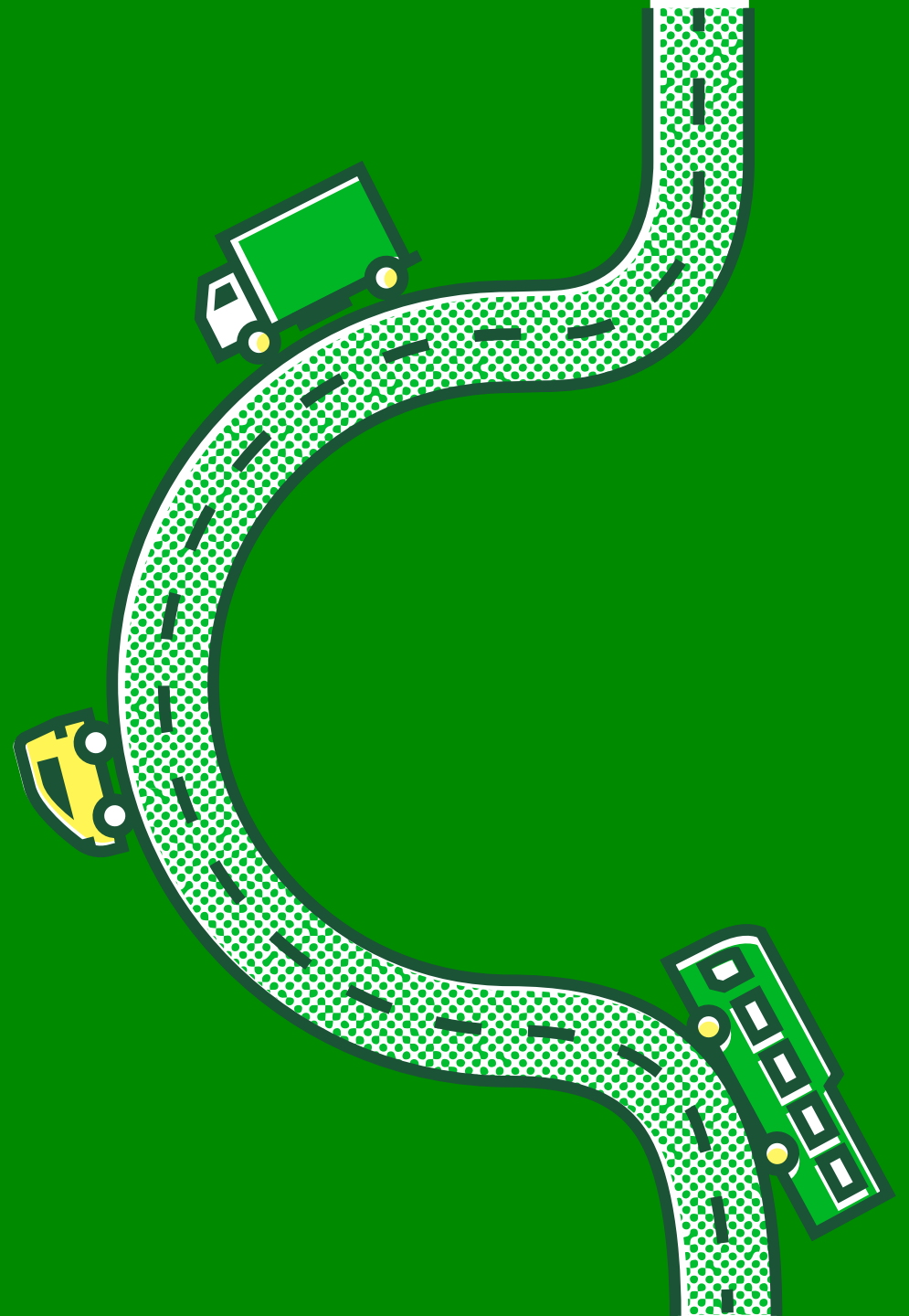
Borrowing to build credit or investing in your future.



### Bad debt

Borrowing more than what you can manage financially.

# Arriving in Canada and Building Credit History





# Questions?

