# Types of Borrowing

Money

The main forms of credit, ranked by typical cost.

*Typical APR ranges; individual rates vary widely.*

| Type | Typical APR | Note |
|---|---|---|
| **Mortgage** | 3–7% | Secured on property |
| **Personal loan** | 6–15% | Fixed term and payment |
| **Car finance (PCP)** | 5–12% | Check the total, not the monthly |
| **Credit card** | 19–30% | Revolving |
| **Overdraft** | 30–40% | Often the most expensive mainstream option |
| **Store card** | 25–35% | Rarely worth the discount offered |
| **Payday / short term** | Extremely high | Last resort |

**Secured borrowing is cheaper because your asset is at risk. That lower rate is not free — it is collateral.**