BORROWING: WHAT DO YOU NEED TO BORROW MONEY

While all financial institutions have different specific requirements for a loan application, overall they are quite similar.

WHAT DO YOU NEED TO BORROW MONEY

- Most lenders will check to see that you have a regular income.
- They may ask you to provide a letter of employment.
- They may ask for several months of your pay stub.
- Lenders may ask for proof of rental income or proof of pension.
- They may ask you for proof that you have a bank account and a permanent address.
- Lenders may ask for proof of rental income or proof of pension.
- Lenders will usually do a credit check to find out your credit history and will look at your credit score.
  - They want to be sure they can count on you to pay back the money you borrow.
- They will likely need a Canada Revenue Agency (CRA) Notice of Assessment.
  - This will tell them whether you pay your taxes or if you have any taxes owing to the government.
- You can expect most lenders to ask you for a list of your assets (things you own) and your liabilities (things you owe).
- It is also likely that they will ask you to show them a list of your income and expenses.
- For some loans, another important thing lenders may ask you for is collateral.
  - This is something that is pledged as security for repayment of a loan, and it will be forfeited in the event that you fail to repay the loan.

In general, lenders are looking for information that will give them a good picture of how you manage your finances and whether you can be trusted to repay the loan if they lend you the money.