



Need to Borrow Money? Check Out These Alternatives to Credit Cards

National nonprofit credit counseling agency Take Charge America highlights payment options beyond traditional plastic

PHOENIX – (March 14, 2023) – Credit cards are a convenient way to borrow money. But for some a credit card may not be an option, leaving them to find alternative financial solutions.

“Credit cards may be the most popular form of borrowing, but they are far from the only option,” said Amy Maliga, financial educator with Take Charge America, a [nonprofit credit counseling and debt management agency](#). “There are several solutions available for anyone who needs cash but doesn’t want to, or can’t, use credit cards.”

Maliga explains five credit card alternatives:

- **Debit Card.** The most obvious alternative, the debit card allows you to shop online, over the phone and in-store with convenience and some protections. But you can’t spend more than what you have in your account.
- **Arranged Overdraft.** For some quick cash, consider applying for an arranged overdraft. This allows you to withdraw an agreed-upon amount of money from your account if the balance goes negative. Keep in mind that interest rates on these transactions can be high.
- **Buy Now, Pay Later.** These ubiquitous services break purchases into four easy payments. But be sure to make your payments. Otherwise you’ll be hit with late fees and possibly interest charges.
- **Peer-to-Peer Lending.** These loans allow you to borrow directly from individuals. Sites like Prosper and Lending Club connect you to would-be lenders. These are real loans and come with the same risks as traditional bank loans.
- **Secured Credit Card.** If you have bad or no credit, a secured credit card is a good alternative to rebuild your credit. It requires a cash deposit, which serves as your spending limit. If you fail to pay your bill, the issuer takes the payment from the cash deposit.

To find additional resources on credit cards and paying off debt, explore Take Charge America’s [Budget Tools](#).

About Take Charge America, Inc.

Founded in 1987, Take Charge America, Inc. is a nonprofit agency offering financial education and counseling services including credit counseling, debt management, housing counseling and bankruptcy counseling. It has helped more than 2 million consumers nationwide manage their personal finances and debts. To learn more, visit takechargeamerica.org or call (888) 822-9193.

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