Particularly where you have maxed out your credit cards, another option to obtain a new loan is from a credit union. Credit unions that have a federal charter are restricted to charging you a maximum of 18% interest. An exception is made for loans up to six months in length for amounts between $200 and $1,000. These loans can be made at 28% plus a $20 application fee.

Credit union loans are generally not secured by any of your collateral, and thus are safer than mortgage loans. They also have lower interest rates than payday, installment, or other predatory loan products found in the marketplace today. On the other hand, just as with a credit card, credit union loans should not be used to pay off medical debt or other low priority debt with low interest rates, and also should not be used to pay off even higher priority debt that can be handled in a better way.

**Source:** National Consumer Law Center, Surviving Debt [50th NCLC Anniversary Edition], updated at www.ncle.org/library

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