



Borrowing Basics for Newcomers

December 11th, 2025

TD Bank



Agenda

01. Introduction to Borrowing and Credit Building

02. Understanding Loans and Lines of Credits

03. How to Borrow for Your Different Needs

04. Borrowing Considerations

05. Q&A



Introduction



Bimpe Oluwatuyi

Product Manager, Personal Lending

Borrowing 101

What is borrowing?

Unsecured borrowing 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 further build credit history which may be helpful when being considered for 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 power tools for addressing various financial needs and challenges.



Unexpected
Expenses



Large
Purchases



Manage Debt



Invest in the Future

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

Pre-Arrival

Arrival

Getting
Established

Growth

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.

Questions?

