**If you are worried about debt**

Many of us have just experienced a sudden drop in income, and if you’re already juggling other debts the effects of the corona virus outbreak could have a severe impact on your finances. You might have been just about managing to make repayments on money that you owe, but this crisis is going to push you into problem debt. Although there may be a lot going on in your life at the moment that makes it easy to ignore debt, the sooner you get help the sooner you can get back on track.

**If you think you might have to borrow money**

If you don’t have any savings and are facing an emergency cash shortfall, borrowing may feel like your only option. Try and use borrowing as a last resort if you can, and if you need to borrow, make sure you choose the right type of credit or loan for your situation. Otherwise you could find yourself paying a lot more than you need to.

**Shop around and compare deals, looking at:**

* the interest rate and the Annual Percentage Rate (APR)
* how much you will repay in total and whether you can actually afford the repayments
* if there are any penalties for missed or late payments
* the cost of the loan per week or month and whether this might vary

**If you can borrow from family and friends**

Borrowing money from family or friends who can lend you cash could be a cheap way of getting extra money without resorting to payday lenders or other types of high cost credit. Family and friends are also likely be more flexible about how you pay the money back. Hopefully this will be a quick and easy short-term arrangement.

**Overdrafts, personal loans and credit cards**

An overdraft can be a quick way to fund a short-term gap in your income. However, there are changes due to come in from April that could make using an overdraft much more expensive if you plan to use it for more than just a few days. Not all the banks have announced what their overdraft charges are going to be yet, but those that have say their APRs are likely to be around 40%.

If you’re thinking of using your overdraft facility, check with your bank to find out what they are planning to do, particularly in the light of coronavirus crisis, and make sure you’re aware of how much it’s likely to cost you.

If you’ve got a good credit rating and you’ll be able to afford the repayments, maybe a small personal loan or a 0% credit card might be a cheaper alternative to cover essential expenses than an overdraft. Do some research now on comparison sites for best rate personal loans and credit cards so if you need to apply in a hurry you’ve already done your homework and know who’s offering the best rates.