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## **JD Bank Shares Key Terms to Know When Applying for a Personal Loan**

**LAKE CHARLES, La.** – Whether you’re looking to fund a special purchase or cover a major expense, personal loans may be a good option to finance costs. Today there are personal loan options for nearly every consumer, but before you head to the bank, it’s important to become familiar with common loan terminology.

JD Bank has compiled a helpful list of [personal loan terms](#) that are important to understand when considering an agreement with a lender:

- **Equity:** Difference between value of an item and remaining principal left for the borrower to pay off on the loan for that item.
- **Term:** Period over which a loan agreement is in force. Short-term loans are generally less than three years whereas long-term loans can be paid out over more than three years. Long-term personal loans are typically used for mortgages, cars and education.
- **Secured & Unsecured Loans:** A secured loan requires borrowers to offer collateral, like a house or car, as an assurance in case the borrower defaults on the loan. Unsecured loans do not require collateral, but often come with higher interest rates.
- **Interest Rate:** A percentage of the principal paid by the borrower to the lender over the duration of the loan term. When shopping for a loan, lower interest rates are best. Be cautious of lenders that have a wide interest rate range – for example, lenders whose lowest interest rate is 5 percent and highest is 13 percent.

“Personal loans can be a great way to finance many types of expenses,” says Susan Hebert, JD Bank’s Kinder branch manager. “But it’s key for consumers to fully understand the agreements they’re entering into. JD Bank makes it a priority to ensure that every customer walks away with no question left unanswered.”

If interested in learning more about personal loans, contact a JD Bank branch manager at a location nearest to you.

Serving southwest Louisiana for more than 65 years, JD Bank offers full-service personal and business banking with 23 branches. For more information, visit [www.jdbank.com](http://www.jdbank.com) or call (800) 789-5159. Member FDIC. Equal Housing Lender.

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