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LendingClub Personal Loans Review

 **Beth Casey / Contributing Writer**

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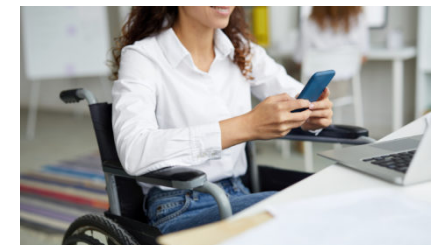
Whether your car broke down or you need to consolidate debt, a personal loan from LendingClub might be just the thing you need. Founded in 2006 and based in San Francisco, LendingClub is an online, peer-to-peer lending

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LendingClub's greatest advantages are speed and convenience – but those advantages don't come without drawbacks.

Pros

- ✓ Fast application process
- ✓ Funding in four days
- ✓ No prepayment penalties

Cons

- ▶ High average APR
- ▶ Only two loan terms available
- ▶ High origination fee of 5.2%

LendingClub by the numbers

- **APR range:** 6.95%-35.89%
- **Loan amount:** \$1,000-\$40,000
- **Repayment terms:** 36 or 60 months (3 or 5 years)

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- **Origination fee:** 1%-6%
- **Late payment fee:** 5% of outstanding debt or \$15, whichever is greater

Restrictions

- No loans for investments, gambling, post-secondary education or illegal activities

Who should consider LendingClub personal loans?

LendingClub is a good choice for those looking for a personal loan to cover unexpected repairs or replacements or to help fund a vacation or other major expenses. It's also a good solution for those looking to pay off their loans as soon as possible without having to incur a penalty.

It might also be a good deal for those who qualify for a lower annual percentage rate or even those with fair to poor credit, but with a solid income. It's hard finding financing opportunities when you have bad credit, even if you have a steady income. Many lenders rely heavily on your credit

loans.

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Terms are available with two options, which is a nice feature. However, keep in mind that generally, the longer the term of the loan, the higher the APR you will pay. So if you can, opt for a shorter term so you can repay the loan sooner. You may have a higher monthly payment, but you'll pay less interest altogether on your loan.

Who should avoid LendingClub personal loans?

Although LendingClub considers all loan requests, it might not be the right choice for some borrowers. If you have good credit and a solid income, then you might be able to get a better rate elsewhere. Sometimes it pays to shop around, but arm yourself with information and compare the top lenders that fit your needs before agreeing to a loan.

Soft inquiries to your credit report do not impact your score. These are inquiries where either you are checking or monitoring your score or you are applying for pre-certification for lending. This is not the same thing as a hard

Applying for a personal loan through LendingClub is a piece of cake. You can apply within minutes using its online form. Here's how it works:

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1. Visit LendingClub's personal loan page
2. Choose the loan purpose from the quick form menu
3. Enter the amount that you want to borrow – up to the \$40,000 maximum
4. Select the red Check My Rate button
5. Choose who is applying. There are two choices: Just Me or Two of Us
6. Enter your birthday
7. Enter your income
8. Enter your name and address and that of your co-borrower if you're using one
9. Enter your email
10. You may need to enter your Social Security number as well, so have it ready

That's it! LendingClub will email you a decision on which rate you might be pre-certified for. From there, if pre-certified, you can choose to bow out or

ALTERNATIVES TO LENDINGCLUB

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There are many alternatives to LendingClub. If you're a member of a credit union, you might start your shopping there. Many credit unions offer more flexibility in financing than banks and other types of lending institutions.

Sometimes you can get approved with a lower credit score or find a better APR. However, if a credit union is not for you, then there are other avenues to search for a personal loan.

TD Bank

TD Bank offers express loans with a fast certification process. Borrowers can get a financing decision in as little as 48 hours. It offers terms from 24 to 60 months with fixed APRs between 6.99% and 18.99%. Finally, TD Bank provides personal loans between \$2,000 and \$25,000, which is a lower loan limit than LendingClub offers. If you don't need the upper loan limits offered by LendingClub, then this might be a good alternative.

OneMain Financial

between 24 and 60 months. It's always nice to have more choices in how long you're going to have to repay the loan. The downside, however, is with the APR: it's much higher than the other picks and ranges from 18.99% to 35.99%. So, if you have the credit and the income for a better rate elsewhere, it might be best to skip this one. Yet, it does offer a good solution for others who might not otherwise qualify with other lenders.

SoFi

SoFi is another alternative with some impressive features. It offers APRs from 5.99% and 20.01% — if you pay using auto-pay. Now, here's where it gets interesting: SoFi is virtually fee-free. There are no origination fees, no prepayment fees, and even no late fees — at least not for personal loans. You can borrow anywhere between \$5,000 and \$100,000, depending on your creditworthiness and other factors.

Closing thoughts

It's always good to shop around for a loan provider — even if you need the funds quickly — because rushing into a financing decision without a clear



Contributing Writer

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Beth Casey is a freelance writer specializing in writing about financial services and business after working for nearly a decade in the insurance industry. Her work has been featured at The Simple Dollar, PersonalLoans.org, BankNXT, The Virtual Assistant, and Minnesota Public Accountants.

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