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How to Get a Personal Loan With No Income Verification

You may be able to get a personal loan without income verification if you pledge collateral, use a co-signer or have an excellent credit score.

By [Chris Kissell](#) | Edited by [Ali Cybulski](#) | Reviewed by [Whitney Blair Wyckoff](#) | June 6, 2023, at 4:58 p.m.



There are several ways to get approved for a personal loan with no proof of income, including applying with a co-signer and falling back on an excellent credit score. (GETTY IMAGES)

Some people who need money fast to pay for unexpected expenses or large purchases turn to personal loans. In most cases, lenders will verify your income to ensure that you have enough money to repay a [personal loan](#). That can present a hurdle for some borrowers, such as those who are unemployed, self-employed or retired.

You can find loan options that don't require proof of income, but they can be risky and costly. Here's what you need to know about personal loans without income verification as well as alternatives to these loans.

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What Is a No-Income Loan?

A no-income loan doesn't require proof of income, such as pay stubs, tax returns or statements from your bank.

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This type of loan is probably most closely associated with mortgages. Widespread use of these home loans was one of the factors that led to the housing crisis during the Great Recession of the early 2000s.

Because of the risks associated with no-income loans, many lenders are reluctant to approve them. Even if you get a loan without verifiable income, you can end up with less-than-ideal terms.

Can I Get a Personal Loan Without a Job?

A personal loan can be difficult but not impossible to get without a job. Most lenders want to see that you are earning a regular income before [approving a personal loan](#).

However, that does not necessarily have to be job-related income. You may be able to count these alternative sources:

- Dividends and interest.
- Social Security.
- Unemployment.
- Alimony.
- Child support.
- Pension or annuity income.

Still, you might struggle to get a personal loan without traditional employment. [Approval can even be difficult for the self-employed](#), says Kendall Meade, certified financial planner at SoFi.




"For self-employed people, it can be hard to show their true income," she says. "Some may take a low salary from their business. This can make it difficult to qualify for personal loans or large amounts, in some cases."

Self-employed people who successfully land a personal loan often have to provide additional documentation, such as copies of bank statements, tax returns and other financial records, Meade says.

Unemployed borrowers also face an uphill climb when applying for a personal loan. "It can be hard to qualify for a personal loan while unemployed because your income may be very low or even zero," Meade says.

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Lenders may suggest some of these approaches to help you get approved for a personal loan with no proof of income:

Apply with a co-signer. This may reassure the lender if you don't have enough income on your own. The co-signer is legally responsible for repaying the loan if you do not, which means that both parties are on the hook for the duration of the loan.

Secure the loan with collateral. You'll use an asset, such as a vehicle or money in a savings account, to back the loan in case you default. The lender can seize your collateral to recover losses if you don't pay your personal loan as agreed.

Lean on an excellent credit score. An excellent credit score may be enough for a lender to approve a personal loan even without verifiable income, according to SoFi.

Note alternative income on your loan application. Sources that may help are retirement income, including Social Security benefits; investment and rental income; and side gig income. You may also want to list alimony and child support, but lenders can't require you to disclose this information.

Even if you qualify for a personal loan with no income, keep in mind that you may not want what lenders have to offer. For example, no-income loans may come with:

- High interest rates and fees.
- Low borrowing limits.
- Short repayment windows.

▶▶ **Read:** [Best Debt Consolidation Loans](#).

Types of Personal Loans for Unemployed Borrowers

If you don't have a job and need a personal loan, you may want to consider some of these options:

- **Secured personal loans.** These are loans backed by collateral, creating less risk for the lender. You may be able to borrow more at a lower rate because the loan is supported by an asset, but you also risk losing that asset if you fall behind on payments.
- **Loans from family members or friends.** You might be able to get a great deal, but you can damage relationships if you have trouble paying back the loan. Carefully weigh pros and cons before borrowing.
- **Cash advances.** This is a type of loan attached to your credit card that allows you to get cash quickly when you need it. But cash advances can be expensive. These loans often come with higher rates than those associated with typical credit card borrowing.
- **Payday loans.** These are generally a bad idea and should be used only as a last resort.

Pros and Cons of No-Income Loans

Pros:

- Offer relatively fast access to cash.
- Create a potential path to loan approval without income.
- Provide a chance to borrow with less traditional income sources.

Cons:

- Carry high interest rates and fees.

- Limit how much you can borrow.
- Require quick repayment.
- Need a co-signer with good credit or income for approval in some situations.

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Alternatives to No-Income Loans

If you don't qualify for a personal loan without proof of income or what you qualify for doesn't seem like a good option, consider one of these alternatives:

- **Home equity loan or line of credit.** If you are sitting on a lot of equity but are strapped for cash, you may want to tap into it to cover some of your expenses. A home equity loan provides a lump-sum amount, and a HELOC gives you a revolving line of credit that functions like a credit card.
- **Loan or withdrawal from a retirement account.** You can access some of the money in a Roth IRA without penalty, for example. "With a Roth IRA, you are able to withdraw any of your contributions – just the money you contributed, no earnings – at any time without penalties or taxes," Meade says.
- **Credit card.** If you have a card with available credit, you may want to use that instead of applying for a personal loan.

Note that these options also have drawbacks. Examples: Fail to pay a home equity loan or HELOC and you risk losing your home, for example. Withdraw money from a workplace retirement account, even temporarily, and you hurt your ability to save.

"Your money will no longer be invested, and if you leave your job, you may have to pay it back at an accelerated rate," Meade says.

Still, exhaust your options before turning to a personal loan, says Catherine Valega, certified financial planner and wealth consultant with Green Bee Advisory in Winchester, Massachusetts.

"Cut back on expenses, get a side hustle, move to a smaller rental before finding yourself in the place of needing a personal loan," Valega says.

The negative aspects of this type of borrowing can become even more pronounced during a credit crunch brought on by an economic downturn, she says. Personal loans are often very expensive, Valega says, and this type of borrowing should be a last resort.

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Kim Porter June 20, 2023