

Which loan is right for you: Personal loan vs. mortgage? Find out now

By admin / June 26, 2025

Getting to Know Personal Loans and Mortgages

If you need money quickly in Australia, you might have to choose between a personal loan and a mortgage to buy a home. Personal loans are flexible, don't require collateral, and are perfect for things like weddings or paying off debt. They have rates between 4.99% and 35% with durations of 1 to 7 years. Mortgages, which are backed by property, have lower rates (3–5%) but longer durations (25–30 years), making them great for buying a home.

Main Differences

Here's a short glance at how they compare:

Factor	Personal Loan	Mortgage
Purpose	Versatile, for personal expenses	Specifically, for buying or refinancing homes
Security	Usually unsecured, no collateral needed	Secured by property, higher risk if default
Loan Amount	\$1,000 to \$100,000	Often \$200,000+, based on property value
Interest Rates	Higher, 4.99%–35%	Lower, 3%–5% variable, slightly higher fixed
Repayment Terms	Short, 1–7 years	Long, 25–30 years
Approval Process	Faster, simpler, funds in 24 hours	Slower, involves property checks, weeks long

How to Get Approval

Faster, easier, money in 24 hours

Slower, takes weeks, and verifies property. Which one is right for you?

A personal loan is great if you need money quickly for a vacation or to pay off debt and don't want to put your house at danger.

If you're buying a property and can stomach a lengthier commitment with lower rates, go for a mortgage.

Mortgage rates are good right now because the RBA cash rate is 3.85% as of May 20, 2025, but personal loans are still a good option for short-term needs.

At Sri Finance, we guide you through these options, leveraging our expertise to match your needs with the best lender, ensuring you navigate Australia's loan market smoothly.

Conclusion and Recommendations

Understanding personal loans vs mortgages is key for informed decisions. Research suggests personal loans fit short-term needs, while mortgages suit homeownership. It seems likely your financial goals and risk tolerance will guide your choice. Contact Sri Finance for personalised advice to secure the right loan in Australia.

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At SRI Finance, we make homeownership easy with expert guidance, flexible mortgage solutions, and a customer-first approach to help you secure the best loan.



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823 Anzac Parade Maroubra 2035
 Info@srifinance.com
 +61439430298
 Mon - Fri : 09:00 AM - 17:00 PM

