Highlights e.V.
MIND, TECH, LIFELONG LEARNING




# 4 Common Loans Explained

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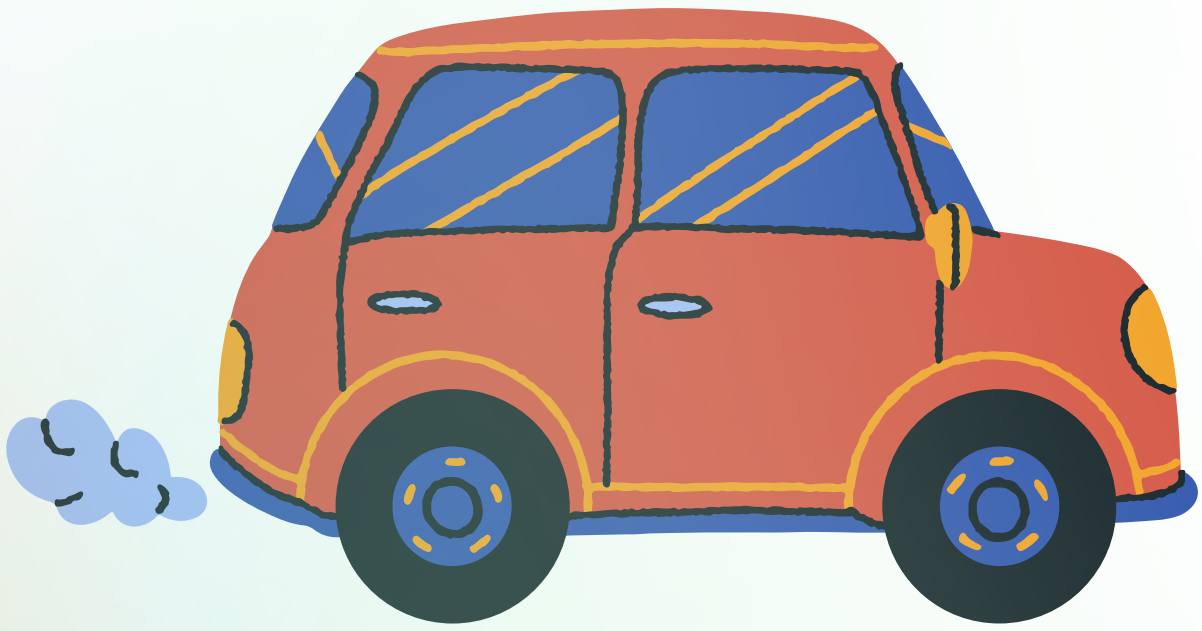
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# Car Loan

✅ Used to finance a new or used car
🚘 Car is often used as collateral
📉 Lower interest if loan is taken via dealership banks
📌 Leasing is also popular in Germany – renting the car instead of owning



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# Home Loan

- ✅ For buying property or land
- 📅 Long repayment terms (15–30 years)
- 🏦 Often requires 20–30% down payment
- 📉 Interest rates in Germany are relatively low
- 📌 Requires stable income, strong SCHUFA score, and residency



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# Student Loan

✅ BAföG – Federal student support (half is a grant, half is 0%-interest loan)
✅ KfW Student Loan – Low interest, flexible repayment
💡 Only available to EU students or residents with long-term permits
📌 Repayment starts after graduation (usually after 2 years)






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# Personal Loan

✅ Used for personal expenses: medical, travel, home appliances
⚠️ Interest rates vary based on credit score (SCHUFA)
✅ Available from banks, fintech apps (e.g., N26, ING, Smava)
📌 No collateral needed, but a fixed income is required.

