Best Debt Consolidation Loans in April 2026

We've named Upgrade the best debt consolidation loan company overall — it has multiple ways to save, and you only need a 580 credit score to qualify

Written by Carol Pope · Edited by Michael Kitchen · Expert Verified · Updated Apr 10, 2026

Key takeaways

- If most of your credit cards have APRs above 23% and you have good credit, there's a good chance consolidation could reduce your interest costs.
- Look at how much interest you will pay overall, not just the monthly payment. The interest rate, loan term and origination fees all contribute to the true cost of consolidation.
- Debt consolidation can cause a temporary dip in your credit score, but the bigger risk is continuing to carry credit card balances after you consolidate.

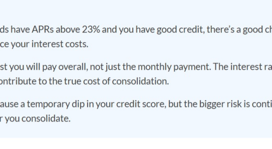
What is debt consolidation?

Debt consolidation involves taking out a personal loan and using it to pay off multiple debts, often credit card balances.

If you're approved, the lender will send you the money, and you will use it to pay off your debts. In some cases, the lender may send the money directly to your creditors.

If you qualify for a lower annual percentage rate (APR), you may save money and lower your monthly payment by consolidating. Many borrowers consolidate after they've improved their credit scores or if rates have generally dropped.

Debt consolidation can also make budgeting easier. Your payments will be the same each month, and because debt consolidation loans have a set end date, you'll know exactly when you'll be debt-free.



When to consider debt consolidation

Debt consolidation is one of the most popular reasons to take out a personal loan — more than half of users come to the LendingTree marketplace to consolidate debt or refinance credit cards. Still, everyone's financial situation is unique, so debt consolidation isn't the right move for everyone.

When debt consolidation may be a good idea

- You're making your monthly payments but **aren't making much progress** paying off credit card debt.
- You have **at least good credit** or have recently improved your credit score.
- Your budgeting would be easier if you could make **one monthly payment** instead of paying multiple bills.

When debt consolidation may not be right for you

- The **APR isn't much lower** than what you're currently paying.
- You think you may **still need your credit card** often after consolidating.
- You need to **extend your loan term** significantly to see monthly savings.
- The **origination fees outweigh the savings** you'd see by consolidating.

Average debt consolidation rates, based on LendingTree data

Debt consolidation APRs vary widely by credit score, but when looking at average card rates, those with at least good credit stand a good chance of saving.

Credit card interest rates are high right now — around 24% on average, according to LendingTree's credit card rate tracker. By comparison, users with good credit saw average debt consolidation rates of 22.75% in late 2025.

As your credit improves, consolidation loan rates tend to drop, which can make them a cheaper option than carrying a balance on a credit card

Credit tier	Average APR
Excellent (800 and above)	14.76%
Very good (740-799)	17.01%
Good (670-739)	22.75%
Fair (580-669)	27.59%
Poor (under 580)	30.02%

Source: LendingTree user data on debt consolidation loan offers for typical loan amounts ($5,000 – $54,999) and repayment terms (36 to 83 months) in the fourth quarter of 2025.

Get Your Rates

Understanding total loan cost: APR, loan terms and fees

When consolidating debt, a lower monthly payment will save you money only if it also lowers your total repayment cost. One of the easiest ways to see whether consolidation is worth it is to use a debt consolidation calculator.

Here are some other key terms to help you better understand the costs behind debt consolidation.

Annual percentage rate (APR)

APR measures the cost of a loan over one year, including interest and fees.

The APR on your debt consolidation loan will likely need to be at least a few percentage points lower than what you're currently paying for you to save money on interest.

Loan term

A loan term is the amount of time you have to repay your loan. Longer terms usually lower your monthly payment, but they also increase the total interest you'll pay.

Before consolidating, estimate how long it will take you to pay off your credit cards at your current pace. Then, compare that timeline to the new loan's term.

If it would take you longer to pay off a debt consolidation loan than it would your credit card debt, you may pay more interest by consolidating, even if the monthly payment is lower.

Origination fee

Some lenders charge an origination fee, typically 1% to 10% of the loan amount. This fee is usually deducted from the loan before the funds are sent to you.

To understand what you may actually gain by consolidating, subtract your origination fee from your projected interest savings.

What kind of debt can be consolidated?

You can use a debt consolidation loan to consolidate unsecured debt, though some types, such as student loans and business debt, require a specialized loan.

Debt that can be consolidated

- Credit card debt
- Payday loans
- High-interest installment loans
- Unsecured personal loans
- Medical bills
- Student loans
- Business debt

Debt that can't be consolidated

- Mortgages
- Auto loans
- Secured personal loans
- Tax debt
- Child support
- Alimony
- Legal judgments

How does debt consolidation impact credit scores?

Be cautious of lenders that promise that debt consolidation will improve your credit score.

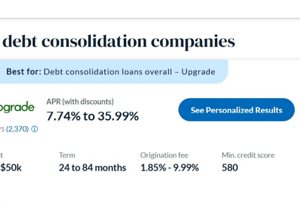
The overall impact of debt consolidation is highly personalized and depends on your financial profile and how you manage your new loan.

Aside from the potential credit score impacts outlined below, **one of the most important factors to consider when consolidating debt is how you will manage your existing credit cards and future spending habits.**

Between interest and debt, continuing to use your credit card while repaying your loan will likely leave you worse off financially than when you started.

Change triggered by consolidation	Typical credit score direction	Why it happens
Hard credit inquiry	Small temporary decrease	New loan application
Paying off credit cards	Potential increase	Lower credit utilization ratio
Closing paid-off cards	Potential decrease	Could lower average account age
New debt consolidation loan	Potential increase or decrease	Could diversify credit mix or lower average account age
On-time loan payments	Potential increase over time	Builds positive payment history

Should I get a debt consolidation loan?



How much debt do you want to consolidate?

$16,000

Get Your Rates

Best debt consolidation companies

Best for: Debt consolidation loans overall – Upgrade

Upgrade · 4.8/5 (2,370) · APR (with discounts) 7.74% to 35.99% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$1k - $50k	24 to 84 months	1.85% - 9.99%	580

Pros & cons

- ✓ APR discount for using loan to pay off debt
- ✓ Accepts two kinds of collateral (car and home fixtures)
- ✓ Offers joint loans
- ✓ Only need a credit score of 580 to qualify
- ✗ Origination fee charged on all loans
- ✗ Might find lower rates with another lender if you have excellent credit
- ✗ Won't qualify if you have bad credit

What to know

Lending platform Upgrade stands out as our pick for the best debt consolidation loan for several reasons. You can get a rate discount for using some or all of your loan to pay off existing debt. And with a lower minimum credit score requirement and secured and joint loan options, it's possible to qualify for Upgrade with less-than-perfect credit.

However, Upgrade charges a mandatory origination fee of 1.85% – 9.99%. Its starting APR isn't the most competitive, either. Borrowers with excellent credit may qualify for a loan with no origination fee and a lower rate by shopping elsewhere.

How to qualify

To qualify for a loan through Upgrade, you must meet the requirements below:

- **Age:** Be at least 18 years old (19 in some states)
- **Citizenship:** Be a U.S. citizen, permanent resident or resident with a valid visa
- **Administrative:** Have a valid bank account and email address
- **Credit score:** 580+

Best for: Lower rates on secured loans – Best Egg

Best Egg · 4.9/5 (2,794) · APR 5.99% to 29.99% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$5k - $50k	36 to 84 months	1.49% - 8.99%	620

Pros & cons

- ✓ Low rates for using home fixtures as collateral
- ✓ Loans available in as little as 24 hours
- ✓ Can change your due date
- ✗ Secured loan available only to homeowners
- ✗ All loans have an origination fee
- ✗ Customer service not available on Sundays

What to know

Online lender Best Egg offers both secured and unsecured loans. Although both types generally offer competitive rates, its secured loans start at a low 5.99% APR.

To qualify for a secured loan, you must be an eligible homeowner and use your permanent home fixtures as collateral, like bathroom vanities and built-in cupboards. However, you may not be able to sell or refinance your home until your Best Egg loan is paid off.

How to qualify

Best Egg uses built-in home fixtures as collateral but doesn't require an appraisal for them. It reviews your credit history and home equity instead.

You must also meet the requirements below to qualify for a Best Egg loan:

- **Age:** Be of legal age to accept a loan in your state (usually 18)
- **Citizenship:** Be a U.S. citizen or permanent resident living in the U.S.
- **Administrative:** Have a personal checking account, email address and physical address
- **Residency:** Live in an eligible U.S. state (Best Egg operates in most states, with a small number excluded)
- **Credit score:** [credit_score_min][/partner-data]+

Best for: Low rates and short repayment terms – PenFed Credit Union

PenFed Credit Union · 4.4/5 (14) · APR (with autopay) 6.09% to 17.99% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$600 - $50k	12 to 60 months	None	Not specified

Pros & cons

- ✓ Can save on overall interest with a 12-month repayment term
- ✓ Low rates overall
- ✓ Offers member discounts on things like car insurance, home insurance and tax software
- ✗ Must join credit union to borrow (but anyone can become a member)
- ✗ No customer service on Sundays

What to know

If your goal is to get out of debt faster, check out PenFed. It offers a 12-month repayment term, which is much shorter than most lenders. The quicker you pay off your loan, the less time interest has to accrue. In general, debt consolidation loans with shorter terms tend to have lower rates.

Since it's a credit union, you'll have to become a PenFed member to borrow. However, PenFed makes this easy. You can apply for your loan and membership in one step.

Membership is open to everyone. You can also check your eligibility before joining, with no impact on your credit score.

How to qualify

To qualify for a PenFed loan, you must meet the following requirements:

- **Membership requirements:** PenFed membership (anyone can join)
- **Administrative:** Open a PenFed savings account with $5 deposit; may need to submit documents to verify your identity and income

Best for: Borrowers with bad credit – Upstart

Upstart · 5.0/5 (17,787) · APR 6.20% to 35.99% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$1k - $75k	36 to 60 months	Varies	None

Pros & cons

- ✓ Uses an AI algorithm to help it approve more applicants
- ✓ Offers a temporary assistance plan in case of financial hardship
- ✓ No paperwork needed for instant approval decisions for most applicants
- ✗ Doesn't let you apply with another person
- ✗ Only two repayment terms to choose from
- ✗ Origination fee possible

What to know

It can be hard to get a debt consolidation loan when you have bad credit. Online lending platform Upstart partners with lenders that may accept bad credit or no credit. Upstart uses an AI algorithm to review your application. This helps it consider factors outside of credit score (like education and employment) to approve borrowers that other lenders may deny.

Still, a bad credit debt consolidation loan may not have a lower rate than what you're currently paying. Upstart also doesn't allow joint loans. With some other lenders, adding a co-borrower with better credit can help you get a better rate.

How to qualify

Upstart has transparent eligibility requirements, including:

- **Age:** Be 18 or older
- **Administrative:** Have a U.S. address, personal bank account, email address and Social Security number
- **Income:** Have a valid source of income, including a job, job offer or another regular income source
- **Credit-related factors:** No bankruptcies within the last three years, a reasonable number of recent inquiries on your credit report and no current delinquencies
- **Credit score:** None

Best for: Beating competitors' rates – LightStream

LightStream · 4.5/5 (364) · APR (with autopay) 7.24% to 23.89% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$5k - $100k	24 to 84 months	None	Not specified

Pros & cons

- ✓ Could qualify for a lower rate through its Rate Beat program
- ✓ No fees
- ✓ Same-day loan possible
- ✗ Can't check rates without a hard credit hit
- ✗ Must borrow at least $5,000
- ✗ Only approves borrowers with good credit or better

What to know

If you find a lower rate with another company, online lender LightStream could beat it by 0.10 percentage points with its Rate Beat program. Debt consolidation loan rates are usually non-negotiable, so this unique perk stands out, although some stipulations apply. The other lender's loan must have the same loan terms as LightStream's, for example.

On the downside, LightStream doesn't disclose its minimum credit score requirements and doesn't offer prequalification. You have to take a hard credit hit to check rates and eligibility, which could drop your score by a few points.

How to qualify

LightStream doesn't specify its exact credit score requirements, but you must have good to excellent credit to qualify. Most applicants that LightStream approves have the following in common:

- At least five years of on-time payments under a variety of accounts (credit cards, auto loans, etc.)
- Stable income and the ability to handle paying their current debt obligations
- Savings, whether in a bank account, investment account or retirement account

Best for: Credit card refinancing – Happy Money

Happy Money · 4.7/5 (162) · APR 7.95% to 35.99% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$5k - $50k	24 to 60 months	0.25% - 10.00%	620

Pros & cons

- ✓ Loans are specifically designed for consolidating credit cards
- ✓ Can request due date changes online or over the phone
- ✓ Can contact customer service via chat
- ✗ Origination fee charged on all loans
- ✗ Can take three to six business days to get your loan
- ✗ Customer service not available on weekends

What to know

Online platform Happy Money partners with banks and credit unions that offer loans specifically for consolidating credit cards. Because its loans are designed for that purpose, the application process may be more tailored to borrowers focused on paying off current debt.

Compared to some lenders, Happy Money has a slower funding process. Be sure to continue making your current credit payments until your loan is available for payoff to protect your credit score.

How to qualify

Happy Money provides clear eligibility requirements on how you can qualify for a loan:

- **Age:** Be 18 years or older
- **Administrative:** Have a valid Social Security number and checking account
- **Residency:** Not offered in Iowa or Nevada
- **Credit score:** 620+
- **Payment history:** No current delinquencies on your credit profile

Best for: Easy borrowing experience – Discover

Discover Personal Loans · 4.9/5 (1,595) · APR 7.99% to 24.99% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$2.5k - $40k	36 to 84 months	None	720

Pros & cons

- ✓ Rated 4.9 out of 5 stars by LendingTree users
- ✓ Will pay your creditors directly
- ✓ Customer service available seven days a week
- ✓ No fees
- ✗ Not the easiest lender to qualify for
- ✗ No cosigners or co-borrowers

What to know

About 97% of LendingTree users who've used Discover for a personal loan recommend the company. Its U.S.-based customer service department is open seven days a week, with extended business hours. Discover will also pay your creditors on your behalf, so you don't have to.

However, Discover requires a higher minimum credit score — 720 — than many online lenders. It also doesn't offer joint or cosigned loans, so you can't add a second borrower to improve your approval odds.

How to qualify

You'll need to meet these eligibility criteria to get a Discover loan:

- **Age:** Be at least 18
- **Citizenship:** Have a Social Security number
- **Administrative:** Have a physical address, email address and internet access
- **Income:** Minimum income of $40,000 (individually or as a household)
- **Credit score:** 720+

Best for: Free financial planning – SoFi

SoFi · 4.2/5 (98) · APR (with discounts) 7.74% to 35.49% · See Personalized Results

Amount	Term	Origination fee	Min. credit score
$5k - $100k	24 to 84 months	0.00% - 7.00% (optional)	600

Pros & cons

- ✓ Free consultation with a professional financial planner
- ✓ Same-day loan possible
- ✓ Accepts co-borrowers
- ✓ APR discount if SoFi pays your debt directly
- ✗ Might find a lower rate if you have excellent credit
- ✗ Lowest rates require an optional origination fee

What to know

Debt consolidation can make it easier to pay off what you owe, but it shouldn't be the only tool in your kit. SoFi offers one no-cost financial planning session to help with your budget, debt strategies, investments and more. SoFi promises no upselling during the meeting, only advice from a professional financial planner.

SoFi is also unique in that its origination fee is optional. If you pay it, you could qualify for a lower rate. Be sure to ask for offers that include and don't include this fee to see which option makes the most sense for you.

How to qualify

You must meet the requirements below to get a loan from SoFi:

- **Age:** Be the age of majority in your state (typically 18)
- **Citizenship:** Be a U.S. citizen, an eligible permanent resident or a non-permanent resident (a DACA recipient or asylum-seeker, for instance)
- **Employment:** Have a job or job offer with a start date within 90 days, or have regular income from another source
- **Credit score:** 600+

Why use LendingTree?

$3B+ in funding
In 2025 alone, LendingTree helped find over $3 billion in funding for people seeking personal loans.

$1,659 in savings
LendingTree users save $1,659 on average just by shopping and comparing rates.

360,000 loans+
In 2025, LendingTree helped find funding for over 360,000 personal loans.

See whether you'd save with a debt consolidation loan

Select Your Credit Score: Good (680-719)

DEBT 1
Current Balance: $ 0
APR: 0.00 %
Monthly Payment: $ 0.00

Add another balance +

Calculate Your Savings

Expert insights on debt consolidation loans in 2026

What advice would you give to someone who is nervous about debt consolidation?

Shopping for a loan online can be intimidating. Understanding the risks, benefits and process of debt consolidation will help you make an informed decision about whether it is right for you.

> "Consolidation can be risky, but lenders tend to look at it more favorably because it shows that you're looking to improve your balance sheet. Debt consolidation can also give you a solid payoff date and potentially save you thousands in future interest. That said, a debt consolidation loan isn't for everyone. Research lenders, rate-shop and make sure you can afford the minimum payments."
>
> **Amanda Push**
> *LendingTree deputy editor and certified financial health counselor*

> "Keep your eyes on the prize. Debt consolidation takes legwork to set up, but it can definitely be worth it. The right debt consolidation loan can shrink the amount of total interest you pay, shorten the time it takes to pay off your debt, and reduce the number of bills you need to manage each month. That's a combination that's pretty hard to beat."
>
> **Matt Schulz**
> *LendingTree chief consumer finance analyst*

Alternatives to debt consolidation loans

A consolidation loan isn't the only way to get a handle on debt. In some cases, an alternative might be a better fit.

Balance transfer credit card with 0% APR

How it works: A 0% APR balance transfer credit card consolidates credit card debt with an introductory no-interest period, which sometimes lasts up to 21 months.

PROS

- ✓ No interest as long as you pay off your balance transfer card during the introductory period
- ✓ Non-introductory APR may still be lower than your current cards

CONS

- ✗ Variable APR that goes up and down based on the economy
- ✗ Only works for credit card debt
- ✗ Usually requires at least good credit
- ✗ May require a 3% to 5% balance transfer fee for each transfer you make

Home equity loan

How it works: Tap into your home's equity to pay off debt by using your home as collateral.

PROS

- ✓ Fixed interest rates, in most cases
- ✓ Payments are the same each month
- ✓ Typically lower rates than a loan that doesn't require collateral

CONS

- ✗ Must be a homeowner with equity
- ✗ Can lose your home if you don't pay
- ✗ May go underwater, which means you owe more on your home than it's worth
- ✗ May require closing costs (2% to 5% of your loan amount)

Debt management plan

How it works: With the help of a certified credit counselor, you can create a debt management plan (DMP) to repay your debt within five years.

PROS

- ✓ Free or low cost
- ✓ Credit counselor may be able to negotiate to reduce fees and interest rates
- ✓ Can consolidate many types of debt
- ✓ Promotes healthy financial habits

CONS

- ✗ Can only be used for debts that don't require collateral
- ✗ Will likely have to stop using or close your credit cards
- ✗ Generally can't or shouldn't open new credit while on a DMP

What sets LendingTree content apart

Expert
Our personal loan writers and editors have 52 years of combined editorial experience and 42 years of combined personal finance experience.

Verified
100% of our content is reviewed by certified personal finance professionals and meets compliance and legal standards.

Trustworthy
We put your interests first. We'll tell you about any loan drawbacks and be clear about when to consider alternatives.

Want to learn more?
Check out our Average LendingTree Personal Loan Rates and Marketplace Data to explore more real borrower data, including the average credit score for LendingTree users who received at least one offer.

How we chose the best debt consolidation loans

We reviewed more than 40 lenders and loan marketplaces that offer personal loans to determine the overall best eight debt consolidation loans. To make our list, lenders must offer debt consolidation loans with competitive APRs.

From there, we assessed each lender or marketplace across four categories: eligibility and access; cost to borrow; loan terms and options; repayment support and tools.

According to our standardized rating and review process, the best debt consolidation loans come from Upgrade, Best Egg, PenFed Credit Union, Upstart, LightStream, Happy Money, Discover and SoFi.

Our categories

Eligibility and access (30%)

We assess how easy it is for people to qualify and apply. This includes state availability, soft-credit prequalification, membership requirements, funding speed and whether borrowers with less-than-excellent credit can get a loan.

Cost to borrow (35%)

We evaluate how affordable the loans are based on minimum and maximum APRs, loan fees and rate discounts. Lenders with unclear or potentially predatory costs receive lower scores.

Loan terms and options (20%)

We consider repayment term flexibility, loan amount ranges and whether options, like secured loans, joint loans or direct-to-creditor payments, are offered — plus whether the lender clearly communicates these options.

Repayment support and tools (15%)

We evaluate borrower experience after funding: customer service access, hardship or forbearance programs, payment flexibility and digital tools, like mobile apps or credit monitoring.

Our process

We gather data directly from companies through their websites, disclosures and direct communication with company representatives. Our editorial team verifies and updates information regularly. We value transparency and award less favorable scores when lenders obscure or omit details.

Our editorial team applies the same scoring model and standards to every lender. Lenders cannot pay to influence our ratings. Read more about our editorial guidelines.

Why trust our methodology?

> "Our writers and editors dig through the facts, contact lenders directly and even go through the application process ourselves if it helps better explain what you can expect. As a Certified Financial Education Instructor℠, I'm committed to breaking down complex financial details so people can make confident, informed decisions with their money."
>
> **Jessica Sain-Baird**
> *LendingTree editorial content director and Certified Financial Education Instructor℠*

Jessica's experience in editing and financial education helps shape LendingTree articles that are clear, accurate and truly useful to readers. Her certification means our recommendations are built on a foundation of consumer-first financial knowledge — not just numbers.

Frequently asked questions

What is a debt consolidation loan?

A debt consolidation loan is a type of personal loan that combines multiple debts into a single monthly payment. You can use it to consolidate credit card debt, payday loans, high-interest installment loans, medical bills and unsecured personal loans.

What are the current rates for debt consolidation loans?

According to LendingTree data, the average debt consolidation loan APR for borrowers with very good credit scores (740-799) is 17.01%. Borrowers with 800+ credit scores see lower rates, while rates can reach 35.99% if you have bad credit.

Can I get a debt consolidation loan with bad credit?

You can get a debt consolidation loan with bad credit, but the rates you qualify for may not be much lower than what you're paying now. Your debt consolidation loan rates will likely have to be at least a few percentage points lower than your current average APR for a debt consolidation loan to be worth it.

Do debt consolidation loans have fees?

Some debt consolidation loans have fees, the most common being an origination fee. Origination fees are usually a percentage of the loan amount you've been approved for.

When a lender charges an origination fee, it usually deducts it from the loan before sending you the money. You might have to borrow more than you thought to make up for this fee.

For instance, if you borrowed $50,000 with a 2% origination fee, you would actually get $49,000 (2% of $50,000 is $1,000).

How long does it take to get funds after approval?

You could get your debt consolidation loan the same day you apply. LightStream and SoFi offer same-day loans, for example.

It can take longer if you have your new lender pay your creditors for you. Make sure you know how long this will take and continue to make payments on your current debt until consolidation is complete. Otherwise, you may miss a credit card payment and damage your credit score.

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